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UNITED STATES TARIFF COMMISSION

# THE FOREIGN TRADE OF LATIN AMERICA



In three Parts



## Part II

### COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

#### **SECTION 10. - VENEZUELA**

Washington

1940





# THE AMERICAS



UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

A report on the Trade of Latin America  
with Special Reference to Trade  
with the United States

Under the General Provisions of Section 332  
Part II, Title III, Tariff Act of 1930

In three Parts

PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF  
INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 10. - VENEZUELA

Washington  
1940

UNITED STATES TARIFF COMMISSION

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## FOREWORD

This analysis of the commercial policies of Venezuela and its trade relations with the world and with the United States, 1929-38, is one of a series making up part II of a report by the United States Tariff Commission on the Foreign Trade of Latin America. Part I deals with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present European war. Part II, consisting of 20 sections, is a survey of the commercial policy and the foreign trade of each of the 20 Latin American republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and source of imports. Each section also contains an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities; for each there is a discussion of production, exports, trade barriers, competitive conditions, and the effects of the European war.

The countries covered in part II of this report are as follows:

Section 1. - Argentina

- do. 2. - Bolivia
- do. 3. - Brazil
- do. 4. - Chile
- do. 5. - Colombia
- do. 6. - Ecuador
- do. 7. - Paraguay
- do. 8. - Peru
- do. 9. - Uruguay
- do. 10. - Venezuela
- do. 11. - Costa Rica
- do. 12. - El Salvador
- do. 13. - Guatemala
- do. 14. - Honduras
- do. 15. - Nicaragua
- do. 16. - Panama
- do. 17. - Mexico
- do. 18. - Cuba
- do. 19. - Dominican Republic
- do. 20. - Haiti

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## SECTION 10. - VENEZUELA

### Venezuela - A Description

#### Physical characteristics.

1/  
Venezuela, located on the northern coast of South America, is bounded on the west by Colombia, on the east by British Guiana, and on the south by Brazil. Extending approximately 900 miles from east to west, and nearly 700 miles north and south at its widest point, its area is 352,000 square miles - slightly smaller than that of Texas and Colorado combined. In general, Venezuela may be divided into four regions - the Andean region in the west and north, the Orinoco lowlands or llanos to the south, the Guiana Highlands on the east, and the coastal plain.

The Andean region extends from the Colombian border northeast to the Caribbean Sea, and thence eastward along the coast. To the south of the Andes, and stretching more than 600 miles from east to west, lies the Orinoco Plain, or llanos, one of the three major plains regions of South America. This region, a large part of which is inundated in the rainy season, has a characteristic vegetation consisting principally of isolated trees and tall grass. The grass grows to a height of 6 feet or more and is green and lush in the rainy season. In the dry season a thorny scrub is the dominant vegetation. South and east of the Orinoco system, toward British Guiana and Brazil, is the Guiana Highland, a plateau largely covered with tropical forests, much of which is unexplored. Between the Andes and the Caribbean Sea

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1/ Officially known as the United States of Venezuela. The Federation consists of 20 states, 2 territories, and the Federal District.

lies the coastal plain; at its western end, surrounded by the Andean highlands, lies the low region around Lake Maracaibo, the principal oil producing area.

Although Venezuela lies entirely within the Torrid Zone, its climate varies greatly with the elevation. There are three general climatic regions - the torrid region, from the coast up to an altitude of about 2,000 feet; the temperate region, from 2,000 up to about 6,000 feet, and the cold region, over 6,000 feet. The climate in the lower altitudes along the coastal plain and in the interior plains and river valleys is tropical. In the llanos, because of the heavy precipitation during the rainy season, large areas are annually in flood. In the highlands, where most of the cities are located, the climate is mild, healthful, and invigorating. In the very high altitudes, it is cold and damp.

#### Population.

The population of Venezuela has not grown rapidly. In 1905 it was 2,598,000; according to the census of 1936 it totaled 3,428,000. The density of population was about 10 persons to the square mile in the latter year. The population, however, is concentrated in the northern highlands and in the northwest region in the vicinity of Lake Maracaibo. Caracas, the capital and principal city, had a population of 230,000 in 1936. Only one other city - Maracaibo - has more than 100,000 inhabitants (110,000 in 1936). Other important cities are Valencia, Barquisimeto, Maracay, and Ciudad Bolívar.

Venezuela's population is particularly heterogeneous. Mixed races constitute about 65 percent of the population, Europeans about 20 percent, Negroes, 8 percent, and Indians about 7 percent. Venezuela has had little immigration since the end of the colonial period. Only small numbers of immigrants are allowed to enter annually, and in some years emigration has equaled immigration.

#### Natural resources and economy.

Mining.- From the standpoint of international trade, the production of petroleum is the most important industry of Venezuela. No other country of Latin America, except El Salvador, is dependent upon the export of a single commodity to the same extent as is Venezuela. In 1938 about 90 percent of all Venezuelan exports (in terms of value) consisted of petroleum and its derivatives. Practically the entire production is by foreign-controlled companies operating under government concession.

Most of Venezuela's petroleum is exported as crude oil to the Netherlands West Indian possessions of Aruba and Curaçao, where it is refined and reexported principally to the United States and the United Kingdom. The two very large refineries on these islands operate almost entirely on Venezuelan crude oil; they receive three-fourths of the total value of all Venezuela's exports. In an economic sense, therefore, Venezuela and the Netherlands West Indies form a unit in the petroleum industry.

Other minerals found in Venezuela include gold,<sup>1/</sup> silver, copper, magnesite, coal, iron, tin, asphalt, asbestos, mica, and salt. Venezuela's iron reserves, the ore of which averages from 60 to 70 percent,

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<sup>1/</sup> The value of Venezuelan gold production in 1939 was estimated to be \$4,375,000.

are exceedingly important but have not been exploited to any considerable extent. Venezuela is also believed to have extensive coal reserves; in general, however, the fields are inaccessible and have not been developed.

Agricultural, pastoral, and forest industries.- The importance of petroleum and its products in the foreign trade of Venezuela has tended to obscure the significant place which agricultural, pastoral, and forest activities occupy in the national economy. A large part of the Venezuelan population is agricultural, and, until 1925, agricultural exports (principally coffee) were more important than those of petroleum. Agricultural products do not now form a large part of total exports in terms of value, but the quantities involved are substantial, although the quantities produced for domestic use are much more important.

The leading Venezuelan export crop is coffee, and cacao ranks second. Other products, mainly for consumption within the country, include corn, sugar, cotton, tobacco, wheat, rice, beans, potatoes, fruits, and a wide variety of vegetables. Almost all of the cotton produced in Venezuela is utilized in the domestic textile mills. In recent years the Government has attempted to stimulate agriculture and agricultural exports by aids of various kinds to agriculturalists<sup>1/</sup> and by export bounties on agricultural products.

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<sup>1/</sup> For a discussion of government aids and export bounties, see the section on Venezuelan commercial policies.

Pastoral industries form an important source of Venezuelan national wealth, especially the cattle industry. Cattle hides are an important export; the beef is consumed largely within the country. Sheep, goats, hogs, and horses are also raised, and goat skins are exported.

The forest resources of Venezuela are extensive and include some 600 species of wood. Nearly one-half of the country's area is forest covered, but there has been no extensive development of lumbering. The chief forest products are cabinet woods, rubber, balatá (a gum resembling gutta percha), the tonka bean (a seed used for flavoring), divi-divi (a substance used in dyeing and tanning), copaiba (a resinous substance used for medicinal purposes), and vanilla.

Manufacturing.— The manufacturing industries of Venezuela are not extensive, although in recent years there has been a considerable development in certain lines, and for some products the entire domestic requirements are produced locally. High duties are imposed on imported manufactures, but domestic production on the whole is so small that there is little competition with imported commodities in most lines. Through the tariff and through loans, the Government encourages the establishment of small industries, especially those which utilize domestic raw materials.

The cotton textile industry is Venezuela's principal manufacturing industry. The local mills utilize domestically produced cotton. Though aided by high import duties, they manufacture chiefly the cheaper grades of cloth. In an endeavor further to assist the industry, the Government in 1938 established import quotas on some cotton textiles, and made credits available to the manufacturers.

Other Venezuelan manufactures include soap, cigars, cigarettes, tobacco, candles, cheese, edible fats, canned meat and fish, chocolate, beer, shoes, clothing, glass bottles, matches, paper, rope, furniture, rugs, straw hats, cement, refined petroleum products, lumber products, and light iron products.

In 1934 a monopoly for the supply of fresh meat was granted to the ~~Compania~~ Ganadera Industrial Venezolana. The company produces fresh meats, dried salt meat, meat extract, canned tongues and sausage, corned beef, lard, and also hides for export. In 1938 the Government sponsored, by means of loans, the establishment of a mother-of-pearl button factory, a factory to produce bags from sisal, and a fish processing industry which includes canning, oil extraction, and fertilizer production. Private capital in 1938 established a factory for the production of paper bags, and enlarged the cement plant at Caracas, which now has an annual capacity of 300,000 barrels. The Venezuelan Government also has made available funds to encourage cement production.

### The Foreign Trade of Venezuela

On the basis of official statistics, Venezuela, as a foreign trading nation, in 1938 ranked third among the Latin American countries, and third among the nations of South America.<sup>1/</sup> On this basis, exports from Venezuela in 1938 amounted to 887 million bolivares (278

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<sup>1/</sup> An arbitrary valuation is placed on exports of petroleum; such exports are only worth about 60 percent of the published values. Because of the large part of Venezuelan exports accounted for by petroleum, this practice results in a considerable overstatement of the total value of Venezuelan exports. This overvaluation should be borne in mind in any analysis of Venezuela's share of the total Latin American export trade, and also in any analysis of the Venezuelan balance of trade or the composition of Venezuelan exports.

million dollars); in that year they constituted approximately 15 percent of total shipments from the 20 republics of Latin America, and 19 percent of exports from the 10 South American countries. Imports into Venezuela in 1938 amounted to 311 million bolivares (97 million dollars), or nearly 7 percent of those received by the 20 Latin American nations, and 9 percent of those entering the 10 republics of South America.

According to Venezuelan statistics, exports have customarily exceeded imports, the export balance in the period 1936-38 ranging from 142 to 180 million dollars. The figures for Venezuela, however, are inflated because exports of petroleum, constituting about 90 percent of the total value of exports, are highly overvalued. According to Venezuelan statistics, exports of petroleum and products in 1937 were valued at 770 million bolivares; if the petroleum statistics are adjusted to take into account their overvaluation, however, they amounted to about 460 million bolivares. Moreover, such financial returns to the foreign petroleum companies as are included in the sales value of petroleum exports do not represent foreign purchasing power available to Venezuela in foreign markets. Thus, petroleum exports do not provide foreign exchange for Venezuela in amounts commensurate with the values reported in the trade returns.<sup>1/</sup>

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<sup>1/</sup> In addition to returns on investments, the expenses incurred outside of Venezuela by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Venezuelan interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

### Venezuelan commercial policy.

Venezuelan foreign trade in the decade 1929-38 was influenced by tariff changes, export subsidies, commercial agreements, exchange regulations, and import quotas on cotton textiles.

1/ The tariff.- During the decade 1929-38 Venezuela continued its policy of stimulating domestic industry by high import duties. Since 1929, five tariff revisions have been enacted by the Venezuelan Congress. 2/ Sharp increases in duties were put into effect in 1933. In 1934 the rates on a number of commodities were revised upward, and this trend continued under the revision of 1935. The tariff law of that year increased penalty duties to 50 percent and authorized the establishment of quotas. The revision of October 23, 1936, provided for numerous increases in duties on "luxury" products and articles not considered necessities, and reduced the duties on certain so-called "necessities."

The new tariff act of October 23, 1936, conferred comprehensive powers over foreign trade on the Venezuelan Executive, some of which had been in effect under previous legislation. These include authority (for "justifiable" reasons) to admit imports free of duty, to prohibit them, and to raise or lower duties. The Executive was specifically authorized to double import duties; to apply duties not

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1/ Import values employed by Venezuela are f.o.b. as per consular invoice. Export values are, in principle, current market values, f.o.b. Venezuelan port or frontier, including export duties and taxes, but in fact the values assigned to petroleum, the dominant export, are greatly in excess of market values.

2/ July 1, 1930; July 22, 1933; July 7, 1934; July 15, 1935; and October 23, 1936.

exceeding 100 percent ad valorem, irrespective of existing tariff rates; to establish import quotas and an import permit system; to establish import prohibitions; to reduce import duties by as much as one-fourth; and to conclude compensation or similar agreements. These powers were conferred with the sole proviso that the action taken shall be reported to the Congress at its next regular session.

Exchange control.— In the early years of the decade 1929-38, because of the lack of foreign debts and the strong position of the treasury, Venezuela was not confronted with the problems faced by many other Latin American countries. As the gold value of most other currencies depreciated, the foreign exchange value of the bolivar in terms of the other currencies appreciated. The appreciation of the bolivar in 1933 and 1934 placed the principal Venezuelan export commodities at a price disadvantage in world markets.

On August 22, 1934, in order to prevent further appreciation of the bolivar, an agreement was entered into by the Government, the banks, and the oil companies, under which dollar exchange was to be purchased at a fixed rate and sold at a slightly higher rate.<sup>1/</sup>

On December 1, 1936, exporters of coffee and certain other agricultural products were required to sell their drafts to the Bank of Venezuela in order to obtain the authorized export bounties. In February 1937 the National Exchange Centralization Office was created

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<sup>1/</sup> The buying rate was 3.90 bolivares to the dollar (1 bolivar = \$0.2564) and the selling rate 3.93 bolivares to the dollar (1 bolivar = \$0.2544).

under the joint supervision of the Ministries of Fomento (Development) and Finance. This office took over the exchange functions of the Bank of Venezuela, and was authorized to regulate all exchange operations.

On April 27, 1937, the Exchange Centralization Office reduced the rate at which it would purchase exchange derived from petroleum and subsidized agricultural commodities from 3.90 to 3.09 bolivares per dollar. <sup>1/</sup> The selling rate to the bank was fixed at 3.17 bolivares to the dollar, <sup>2/</sup> that to the public at 3.19 bolivares to the dollar. <sup>3/</sup>

There are now two types of exchange in Venezuela - the first derived from exports of petroleum and of subsidized agricultural products, and the second from other sources. After the Exchange Centralization Office has reserved sufficient exchange to cover Government requirements, the remainder is made available to pay for imported merchandise, although importers have not always been able to obtain this type of exchange. Foreign drafts derived from sources other than exports of petroleum and subsidized agricultural products may be sold in the open market without restriction, but the rates (in terms of bolivares) are higher than those authorized for official exchange. <sup>4/</sup>

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<sup>1/</sup> 1 bolivar = \$0.3236.

<sup>2/</sup> 1 bolivar = \$0.3154.

<sup>3/</sup> 1 bolivar = \$0.3135.

<sup>4/</sup> For the years covered in this report, the average dollar equivalent of the bolivar (official rate) was as follows: 1929, \$0.1930; 1932 \$0.1509; 1936, \$0.2551; 1937, \$0.2824; 1938 and 1939, \$0.3135. The open market rate in recent years has been as follows: 1938, \$0.3067; 1939, \$0.3115. Recent quotations (averages for May 1940) are as follows: Official (bank) rate, \$0.3135; open market rate, \$0.2817.

As a result of conditions arising from the outbreak of war in Europe, the Exchange Centralization Office in March 1940 revised its methods of exchange control. Under the new plan, the supply of exchange available is allocated in accordance with the following schedule of priority: Government payments abroad; strictly commercial payments abroad; payment of interest or dividends on foreign capital invested in Venezuela; and all other demands for foreign exchange. The banks were requested to give preference to imports from countries with which Venezuela's trade balances were the least unfavorable. <sup>1/</sup>

A subsequent modification of the plan permitted the banks to sell their quota of exchange freely for the needs of commercial payments abroad, without previous consultation with the Exchange Office. Certain technical changes were also made in the procedure specified for the other categories.

An executive decree published June 25, 1940, to become effective immediately, required that all foreign exchange transactions should be consummated only at rates fixed by the National Exchange Office.

Import quotas.- In accordance with the authority granted in the law of 1936 to establish import quotas, an executive decree of April 11, 1938, prescribed the regulations for import quota systems. The purpose of such quotas as might be introduced was declared to be the reestablishment of trade equilibrium with those countries with

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<sup>1/</sup> Approximately three-fourths of Venezuela's exports (in terms of value) are shipped to the Netherlands West Indies, and consist of crude petroleum sent there for refining. Venezuelan imports from most other countries therefore usually exceed its exports to those countries.

which Venezuela had an adverse trade balance. The first and only import quotas - those on cotton textiles - were established on November 15, 1938, in order to meet a crisis in the Venezuelan textile industry.<sup>1/</sup>

Commercial treaties and agreements.- In the decade 1929-38, Venezuela entered into commercial agreements with Denmark and France, the arrangements providing for increased import quotas for Venezuelan coffee, and tariff reductions by Venezuela on French and Danish products. Since 1938, Venezuela has concluded agreements with Germany, Italy, Japan, and the United States.

The agreement with Germany (effective December 1, 1938) recognized the principle of trade balancing and provided for German purchases of Venezuelan coffee and cacao, payment to be made in German goods. Agreements with Italy (June 29, 1939) and with Japan (July 1, 1939) provided for trade balancing and import quotas for Venezuelan products. A trade agreement with the United States (November 6, 1939) provided for tariff concessions by both countries, and a barter agreement with Spain (December 1939) provided for the exchange of Venezuelan coffee for Spanish cement.

Under the trade agreement between Venezuela and the United States, concessions granted to the United States covered 96 tariff products. In 1938, these products represented about 36 percent of total United

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<sup>1/</sup> The quotas affected heavy cotton duck and cotton suitings, cotton bedspreads and blankets, cotton towels, and certain cotton wick. On November 16, 1939, the quota quantities of cotton suitings and heavy duck were increased, and the quota restriction on wick was removed. By a decree of June 26, 1940, quota restrictions on the heavier type of cotton suitings and on blankets were removed, and the quota on heavy cotton duck was increased.

States exports to Venezuela. Reductions in duty, ranging from 2.5 to 62.5 percent, were obtained on 35 products; and on 61 products, assurances against less favorable customs treatment were obtained.

Concessions granted to Venezuela by the United States included the guarantee of continued free entry of crude petroleum and fuel oil for use of vessels, and a reduction of 50 percent in the import tax <sup>1/</sup> on these products for other uses on an annual quota of imports (from all countries) not in excess of 5 percent of the total quantity of crude petroleum processed in refineries in continental United States during the preceding calendar year. On 2 other products, reductions of duty of 50 percent were granted, and on 1 product the existing duty was bound against increase. On the remaining 9 products listed in the schedule of United States concessions, most of which are tropical commodities not produced in the United States, existing duty-free entry into the United States was bound against change. In 1938, all the products covered in the agreement accounted for 89 percent of the value of total United States imports from Venezuela.

Agricultural subsidies and the 3-Year Plan.- Since 1934 the Venezuelan Government has followed a policy of granting subsidies to agriculturalists and export bounties on agricultural products. In July 1934, 10 million bolivares were appropriated for the relief of growers of coffee and cacao; this amount was continued in 1935. In 1936 the Government appropriated 30 million bolivares for the aid of producers

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<sup>1/</sup> Petroleum and its products entering the United States are on the free list of the Tariff Act of 1930, but were subject to import excise taxes under the Revenue Act of 1932.

of coffee, cacao, sugar, cattle and hides, and other agricultural commodities. Export bounties were authorized for coffee, cacao, sugar, cattle, hides, all forest products, oleaginous seeds, fruits and vegetables, tobacco, corn, and alcohol and liquors.<sup>1/</sup>

In subsequent years the Government has continued its policy of export bounties on agricultural products, the rates being changed in accordance with the increase in or decline of commodity prices. In an effort to relieve unemployment and to stimulate industry, the Government embarked on an extensive program of public works in 1936; in 1938 this was expanded into a 3-year plan of social, economic, and cultural development, to include construction of sanitary facilities, low-cost housing, schools, public buildings, port facilities, highways, and railroads.

#### Trend of the trade.

Exports.— Petroleum constitutes more than three-fourths of total exports, and Venezuela is the world's largest exporter of crude petroleum. This predominance of petroleum is relatively recent. Coffee, which long ago displaced cacao as the leading export commodity, remained the most important until 1925, when petroleum took the lead.

Venezuela's trade with the world and with the United States, in the period 1924-38, is shown in tables 1 and 2. From 1924 until 1929 both the bolivar and the dollar value of Venezuelan exports increased steadily. Exports to the world as a whole in 1929 (the earliest

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<sup>1/</sup> Total bounty and governmental aid payments for the fiscal year 1936-37 were over 22 million bolivares (about \$6,600,000). At one time or another exports of all agricultural, pastoral, forest, and water products (except pearls) have been subsidized.

shown in the detailed tables hereinafter presented) were nearly double the average for the 5 years 1924-28. Exports to the United States in 1929 were more than double the average for the same 5 years.

According to Venezuelan trade statistics, exports from Venezuela in 1929 were valued at 779 bolivares (150 million dollars). In 1932 they declined to 628 million bolivares (95 million dollars), or 80 percent of their 1929 bolivar value and 63 percent of their dollar value. There was a further decline in the bolivar value in 1933, but the dollar value in that year was substantially higher than in 1932. After 1933, Venezuelan exports increased regularly, amounting to 887 million bolivares (278 million dollars) in 1938, which represented 114 percent of the 1929 bolivar value and 180 percent of the 1929 dollar value, the marked difference in these two percentages being due to the devaluation of the dollar in 1933-34.

An adequate price index or a quantum index of Venezuelan exports is not available, nor are prices of Venezuelan exports of crude petroleum. <sup>1/</sup> Statistics for the leading Venezuelan export commodities, however, indicate that the decline in the value of Venezuelan exports between 1929 and 1932, and the subsequent recovery, are attributable more to fluctuations in price than to variations in the quantities of goods exported. <sup>2/</sup>

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<sup>1/</sup> A price index covering 7 export commodities, unweighted and not including petroleum, is available. For the years covered in this report (taking 1913 as a base), the index stood as follows: 1929, 98.3; 1932, 61.5; 1936, 58.5; and 1937, 62.7. (Estados Unidos de Venezuela, Ministerio de Fomento, Números Indices de Precios al por Mayor en Venezuela, 1913-37).

<sup>2/</sup> See the discussion of selected Venezuelan export commodities. The value of Venezuelan exports is distorted by the overvaluation of exports of petroleum.

Table 1. - Venezuela: Trade with the world, 1924-38

(Value in thousands)						
Year	Exports		Conversion		Imports	
	Bolivares	United States dollars	: rates: : 1 bolivar	:: equals ::	Bolivares	United States dollars
1924	: 213,486	: 41,053	:: \$0.1923	::	: 215,925	: 41,522
1925	: 329,999	: 63,657	:: .1929	::	: 303,673	: 58,578
1926	: 395,403	: 76,155	:: .1926	::	: 412,382	: 79,425
1927	: 444,115	: 84,293	:: .1898	::	: 363,589	: 69,009
1928	: 609,555	: 117,339	:: .1925	::	: 416,613	: 80,198
	:	:	::	::	:	:
1929	: 778,560	: 150,262	:: .1930	::	: 452,852	: 87,400
1930	: 762,494	: 144,111	:: .1890	::	: 363,858	: 68,769
1931	: 651,618	: 111,036	:: .1704	::	: 210,759	: 35,913
1932	: 628,259	: 94,804	:: .1509	::	: 153,458	: 23,157
1933	: 617,547	: 114,987	:: .1862	::	: 143,588	: 26,736
	:	:	::	::	:	:
1934	: 671,943	: 201,180	:: .2994	::	: 159,686	: 47,810
1935	: 711,730	: 181,562	:: .2551	::	: 225,194	: 57,447
1936	: 768,463	: 196,035	:: .2551	::	: 211,590	: 53,977
1937	: 871,463	: 246,101	:: .2824	::	: 304,634	: 86,029
1938	: 887,276	: 278,161	:: .3135	::	: 310,949	: 97,483
	:	:	::	::	:	:

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Table 2. -- Venezuela: Trade with the United States, 1924-38<sup>1/</sup>

(Value in thousands)							
Year	Exports				Imports		
	:	:	:	:	:	:	:
	:	:	Percent	:	:	:	Percent
	:	:	of total:	:	:	:	of total
	:Bolivares:	States :	to :	:	:Bolivares:	States :	from
	:	dollars:	United :	:	:	dollars:	United
	:	:	States <sup>2/</sup> :	:	:	:	States
1924	: 32,559	: 6,261	: 15.3	::	: 119,424	: 22,965	: 55.3
1925	: 54,128	: 10,441	: 16.4	::	: 163,304	: 31,501	: 53.8
1926	: 98,214	: 18,916	: 24.8	::	: 228,613	: 44,031	: 55.4
1927	: 104,316	: 19,799	: 23.5	::	: 189,723	: 36,009	: 52.2
1928	: 162,020	: 31,189	: 26.6	::	: 239,113	: 46,029	: 57.4
1929	: 215,984	: 41,685	: 27.7	::	: 248,999	: 48,057	: 55.0
1930	: 175,166	: 33,106	: 23.0	::	: 186,068	: 35,167	: 51.1
1931	: 135,259	: 23,048	: 20.8	::	: 100,489	: 17,123	: 47.7
1932	: 130,626	: 19,712	: 20.8	::	: 69,736	: 10,523	: 45.5
1933	: 90,857	: 16,917	: 14.7	::	: 69,597	: 12,959	: 48.5
1934	: 107,658	: 32,233	: 16.0	::	: 71,979	: 21,550	: 45.1
1935	: 114,265	: 29,149	: 16.1	::	: 99,690	: 25,431	: 44.3
1936	: 134,563	: 34,327	: 17.5	::	: 100,238	: 25,571	: 47.4
1937	: 119,067	: 33,625	: 13.7	::	: 160,950	: 45,452	: 52.8
1938	: 117,551	: 36,852	: 13.2	::	: 175,244	: 54,939	: 56.4

<sup>1/</sup> For conversion rates, see table 1.

<sup>2/</sup> Inasmuch as a considerable part of the petroleum exported to the Netherlands West Indies is converted into products (mainly fuel oil) which are exported to the United States, the share of the United States as an ultimate destination of Venezuelan exports is much larger than here shown.

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Imports. - Imports into Venezuela consist of a wide range of manufactured products and foodstuffs, and some raw materials. They are greatly influenced by the Venezuelan tariff duties (which are among the highest in the world), and to some extent by the Government's policy respecting domestic industry.<sup>1/</sup>

Venezuelan imports from the world and from the United States, in the period 1924-38, have been shown in tables 1 and 2. From 1924 until 1929 both the bolivar and the dollar value of Venezuelan imports increased irregularly. Imports from the world as a whole in 1929 (the earliest shown in the detailed table), were about one-third greater than the average for the 5 years 1924-28. Imports from the United States in 1929 were also approximately one-third greater than the average for the same 5 years.

Imports into Venezuela, valued at 453 million bolivares (87 million dollars) in 1929, declined in 1933 to 144 million bolivares (27 million dollars), or 32 percent of the 1929 bolivar value and 31 percent of the 1929 dollar value. By 1938 imports had increased to 311 million bolivares (97 million dollars). In this year the dollar value was more than 10 percent in excess of that for 1929, but the bolivar value was only 69 percent of that in 1929, the wide disparity being caused by the devaluation of the dollar.

Neither an adequate price index nor a quantum index of Venezuelan imports is available.<sup>2/</sup> Such incomplete information as is available,

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<sup>1/</sup> See the section on manufacturing.

<sup>2/</sup> A price index for 12 import commodities (unweighted) gives the following trend for the years covered in this report (taking 1913 as a base); 1929, 113.3; 1932, 102.6; 1936, 83.4; and 1937, 87.0. The fall in the prices of Venezuelan imports in terms of bolivares between 1932 and 1936, as indicated by these statistics, is probably attributable in large part to the appreciation of the bolivar in terms of the currencies of the countries in which most of Venezuela's imports originate.

however, indicates that the decline in the value of Venezuelan imports between 1929 and 1932, and the subsequent recovery, are attributable more to fluctuations in the quantities of goods imported than to variations in price.

### Exports from Venezuela.

Composition. - Exports from Venezuela, by groups and principal commodities, in specified years, 1929 to 1938, are shown in bolivares in table 3 and in dollars in table 4. For most groups there was a sharp drop in the dollar value of exports between 1929 and 1932, principally because of lower prices. The dollar value of exports of gold, however, increased markedly. Most groups for which data are shown<sup>1/</sup> increased in dollar value in 1937 over 1932, and for petroleum and derivatives, gold, livestock, meats, and tobacco (a very small item), the figures exceeded those for 1929. For the major groups, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Petroleum and derivatives, 227 percent; coffee, 31 percent; gold, 485 percent; and cacao, 67 percent.

Based on Venezuelan trade statistics, petroleum and its products accounted for 76 percent of total exports in 1929, 85 percent in 1932, 89 percent in 1936, and 93 percent in 1938. Even with adjustments for the arbitrary valuation, exports of petroleum probably account for three-fourths or more of the value of total exports.

Almost all of the shipments of petroleum and derivatives consist of crude petroleum which constituted 74 percent of total exports in

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<sup>1/</sup> Because of changes in the Venezuelan export classification, it has been impracticable to provide comparable data for all groups and commodities in 1929 and 1932.

1929, and 90 percent in 1938. Exports of fuel oil, the most important petroleum derivative, amounted to approximately 3 percent of all exports in the years for which data are available. Gas oil and gasoline together accounted for less than 1 percent of total exports in 1938.

Only three other export groups - coffee, gold, and cacao - account for more than 1 percent of Venezuelan exports. Coffee in 1929 constituted 17 percent of the total, but declined to 9 percent in 1932, to 5 percent in 1936, and to 3 percent in 1938. In terms of dollars shipments of coffee were valued at 26 million in 1929, and at 8 million in 1938. Exports of gold (exclusive of coined gold) have become increasingly important in recent years, rising in value from less than one-half million dollars in 1932 (one-half percent of total exports) to nearly 4 million dollars in 1938 (1.5 percent of total exports). Exports of cacao, in 1929 valued at 4.7 million dollars, constituted 3 percent of all exports; in 1938 they amounted to 3.1 million dollars, but aggregated only 1 percent of the total exports in that year.

The remaining groups in the Venezuelan export classification together accounted in 1938 for about 1 percent of all exports. The more important were hides and skins (chiefly cattle hides and goat skins), livestock (largely cattle), fruits and vegetables (chiefly bananas), and miscellaneous vegetable products.

Table 3. - Venezuela: Exports,<sup>1/</sup> in terms of bolivares, by groups and principal commodities, in specified years, 1929 to 1938

(Value in thousands of bolivares)					
Commodity group or commodity 2/	1929	1932	1936	1937	1938
Grand total	778,560	628,259	768,463	871,463	887,276
Petroleum and derivatives	593,610	531,635	684,226	770,042	828,265
Petroleum, crude	577,709	481,123	645,422	736,428	797,443
Fuel oil	3/	19,560	24,750	24,111	25,974
Gas oil	5,651	9,569	6,970	7,307	4,675
Gasoline	9,143	21,358	6,997	2,030	61
Asphalt	1,067	5	-	-	-
Coffee	133,792	58,323	39,688	38,091	25,677
Gold	4,939	10,485	19,912	36,115	14,897
Gold coin	-	4/	5,202	20,800	-
Gold, in bars	-	3,152	12,761	12,758	12,754
Cacao	24,175	12,142	11,449	13,942	9,977
Livestock	2,649	1,232	2,760	2,806	1,734
Cattle	2,503	1,186	2,536	2,731	1,734
Hides and skins	6,391	1,564	3,369	4,371	1,640
Vegetable products, miscellaneous	4/	4/	872	635	650
Mineral products, miscellaneous	4/	4/	88	280	589
Fruits and vegetables	4/	4/	935	1,063	463
Bananas	55	289	269	723	317
Wood	382	175	242	189	356
Food products, miscellaneous	4/	4/	5/	428	195
Manufactured products, miscellaneous	4/	4/	133	148	121
Fertilizers	348	166	118	106	83
Meats	66	4 16/	(129)	197	69

See footnotes at end of table.

Table 3. - Venezuela: Exports,<sup>1/</sup> in terms of bolivares, by groups and principal commodities, in specified years, 1929 to 1938 - Continued

(Value in thousands of bolivares)						
Commodity group or commodity 2/	1929	1932	1936	1937	1938	
Fish and products -----	155	184 16/	(34)	63	64	
Animal products, miscellaneous -----	4/	4/	632	69	53	
Beverages and other alcoholic liquors	6	4/	4/	46	37	
Tobacco -----	13	9 7/	(7)	26	27	
Pearls, tortoise shell, and similar products -----	1,612	4,400	465	325	11	
Tonka beans -----	961	480	1,852	145	5	
Salt -----	301	-	4/	8/	-	
Reexports -----	3,968	4,831	1,722	2,376	2,313	

1/ General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f.o.b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum, for which fixed unit values are employed.

2/ The classifications employed in this table are those given in the Venezuelan export statistics for 1933. Groups are ranked according to value in 1933.

3/ Not shown separately; if any, included with crude petroleum.

4/ Not shown separately.

5/ Included in "Animal and vegetable products."

6/ Omit when adding for total; probably also included in "Animal products, miscellaneous."

7/ Omit when adding for total; probably also included in "Vegetable products, miscellaneous."

8/ Less than 500 bolivares.

Source: Compiled by the U.S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Table 4. - Venezuela: Exports, <sup>1/</sup> in terms of dollars, by groups and principal commodities, in specified years, 1929 to 1938

Commodity group or commodity <sup>2/</sup>	(Value in thousands of U.S. dollars)									
	1929		1932		1936		1937		1938	
	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports
Grand total	150,262	100.0	94,306	100.0	196,035	100.0	246,101	100.0	278,161	100.0
Petroleum and derivatives	114,567	76.2	60,224	64.6	174,546	89.0	217,450	88.4	259,661	93.3
Petroleum, crude	111,498	74.2	72,601	76.6	164,647	84.0	207,967	84.5	249,999	89.9
Fuel oil	3/		2,552	3.1	6,314	3.2	6,809	2.8	8,143	2.9
Gas-oil	1,091	.7	1,444	1.5	1,778	.9	2,064	.8	1,466	.5
Gasoline	1,765	1.2	3,223	3.4	1,765	.9	573	.2	19	✓
Asphalt	204	.1	1	✓	-	-	-	-	-	-
Coffee	25,822	17.2	8,801	9.3	10,125	5.2	10,757	4.4	8,050	2.9
Gold	963	.6	1,532	1.7	5,080	2.6	13,194	5.4	4,670	1.7
Gold coin	-		5/		1,327	.7	5,874	2.4	-	-
Gold, in bars	-		476	.5	3,255	1.7	3,603	1.5	3,998	1.5
Cacao	4,666	3.1	1,832	1.9	2,921	1.5	3,937	1.6	3,128	1.1
Livestock	511	.3	186	.2	704	.4	792	.3	559	.2
Cattle	433	.3	179	.2	647	.3	771	.3	544	.2
Hides and skins	1,233	.8	236	.2	859	.4	1,234	.5	514	.2
Vegetable products, miscellaneous	5/		5/		222	.1	179	.1	204	.1
Mineral products, miscellaneous	5/		5/		22	✓	79	✓	185	.1
Fruits and vegetables	5/		5/		239	.1	300	.1	145	✓
Bananas	11	✓	44	✓	69	✓	204	.1	99	✓
Wood	74	✓	26	✓	62	✓	53	✓	111	✓
Food products, miscellaneous	5/		5/		6/		121	✓	61	✓
Manufactured products, miscellaneous	5/		5/		34	✓	42	✓	38	✓
Fertilizers	67	✓	25	✓	30	✓	30	✓	26	✓
Meats	13	✓	1	✓	7/ (33)	✓	56	✓	22	✓

See footnotes at end of table.

Table 4. - Venezuela: Exports, <sup>1/</sup> in terms of dollars, by groups and principal commodities, in specified years, 1929 to 1938-Continued

Commodity group or commodity <sup>2/</sup>	(Value in thousands of U.S. dollars)											
	1929				1932				1936			
	Value	Percent of total	Exports	Imports	Value	Percent of total	Exports	Imports	Value	Percent of total	Exports	Imports
Fish and products	30	4/	28	7/	(9)	18	4/	20	4/	20	4/	4/
Animal products, miscellaneous	5/		5/		161	20	4/	16	4/	16	4/	4/
Beverages and other alcoholic liquors	1	4/	5/		5/	13	4/	12	4/	12	4/	4/
Tobacco	2	4/	1	8/	(2)	7	4/	9	4/	9	4/	4/
Pearls, tortoise shells, and similar products	311	.2	664	.7	119	92	4/	3	4/	3	4/	4/
Tonka beans	186	.1	72	4/	472	41	4/	2	4/	2	4/	4/
Salt	58	4/	-	5/	9/	-	4/	-	4/	-	4/	4/
Reexports	766	.5	729	.8	439	671	.3	725	.3	725	.3	.3

- 1/ General exports Bullion and specie are included. Parcel post is excluded. Values are current market values, f.o.b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum for which fixed unit values are employed.
- 2/ The classifications employed in this table are those given in the Venezuelan export statistics for 1938. Groups are ranked according to value in 1938.
- 3/ Not shown separately; if any, included with crude petroleum.
- 4/ Less than one-tenth of 1 percent.
- 5/ Not shown separately.
- 6/ Included in "Animal and vegetable products."
- 7/ Omit when adding for total; probably also included in "Animal products, miscellaneous."
- 8/ Omit when adding for total; probably also included in "Vegetable products, miscellaneous."
- 9/ Less than 500.

Source: Compiled by the U.S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Quantities, values (in dollars), and unit values of exports of selected commodities from Venezuela, in specified years, 1929 to 1938, are shown in table 5. The trend of exports of crude petroleum in recent years (on the basis of both quantity and value) has been upward. Exports of crude petroleum, in terms of quantity, declined from 129 million barrels in 1929 to 109 million barrels in 1932, but thereafter increased, reaching 179 million barrels in 1938, or more than one and one-third times the level in 1929.<sup>1/</sup>

Venezuelan exports of coffee, while fluctuating considerably, have displayed a downward trend in both volume and dollar value in recent years. In 1929 the quantity exported amounted to 142 million pounds. Declining to 109 million pounds in 1932, exports recovered to 136 million pounds in 1936. Thereafter they declined, reaching 79 million pounds in 1938, or less than three-fifths of the 1929 level. The dollar value in 1938, however, was less than one-third of that in 1929.

Exports of cacao beans from Venezuela declined from nearly 47 million pounds in 1929 to 35 million pounds in 1932, and maintained approximately that level in 1936 and 1937. In 1938 exports increased to almost the 1929 level, but the dollar value in 1938 was only two-thirds of that in 1929.

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<sup>1/</sup> The dollar value of such exports in 1938, as indicated by Venezuelan trade statistics, was two and one-fourth times that in 1929. The increase in the unit value of petroleum shown in these statistics does not correspond to the general variations in petroleum prices and the unit values of United States imports during this period. For this reason, statistics of the value of Venezuelan exports of petroleum have little significance as indications of trend.

Table 5. - Venezuela: Exports of selected commodities,  
in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Petroleum, crude, 1,000 bbls. -----	129,445	109,053	150,483	169,133	179,222
Coffee, 1,000 lbs. -----	141,907	108,517	135,721	91,949	79,130
Cacao beans, 1,000 lbs. --	46,560	35,110	36,280	35,909	45,418
Value in 1,000 U.S. dollars <sup>1/</sup>					
Petroleum, crude -----	111,498	72,601	164,647	207,967	249,999
Coffee -----	25,822	8,801	10,125	10,757	8,050
Cacao beans -----	4,666	1,832	2,921	3,937	3,128
Unit value in U.S. dollars					
Petroleum, crude, bbl. <sup>2/</sup> -	.861	.666	1.094	1.230	1.395
Coffee, lb. -----	.182	.081	.075	.117	.102
Cacao beans, lb. -----	.100	.052	.081	.110	.069

<sup>1/</sup> Converted at values shown in table 4.    <sup>2/</sup> See footnote 1, p. 6.

Source: Compiled by the U.S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Destination. - The principal destinations of Venezuelan exports in 1938, with share of the total value taken by each country, were the Netherlands West Indies, 76 percent; the United States, 13 percent; the United Kingdom, 3 percent; and Germany, 3 percent. Other markets in this year included France, Italy, Japan, and Canada. Exports from Venezuela to selected countries, in specified years, 1929 to 1938, are shown in bolivares in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

Significant developments in the Venezuelan export trade during the decade 1929-38 include the advance in the position of the Netherlands West Indies as a market for Venezuelan petroleum, and the decline in the importance of the United States as a market for direct shipments of Venezuelan products. In 1929, 56 percent of all exports from Venezuela (in terms of value) went to the Netherlands West Indies, and in 1938, 76 percent. These shipments (valued at 212 million dollars in 1938), consist of crude petroleum sent there for refining and re-export, principally to the United Kingdom and the United States.

Next to the Netherlands West Indies, the United States is the principal market for direct shipments of Venezuelan products; in the decade 1929-38 its purchases ranged between 20 million dollars (1932) and 42 million dollars (1929); they amounted to 37 million dollars in 1938. Its importance in relation to the total Venezuelan export trade has declined, however, its share dropping from 28 percent in 1929 to 13 percent in 1938. This decline was caused chiefly by the decrease in the absolute quantity of exports of crude petroleum to the United States.

United States purchases from Venezuela consist almost entirely (in the order of their importance), of crude petroleum, coffee, cacao, gold, and hides and skins. In 1938, the United States received (in terms of value) 13 percent of the crude petroleum, 25 percent of the coffee, nearly 16 percent of the cacao, more than 36 percent of the hides and skins, and 39 percent of the gold exported from Venezuela.

The share of the United Kingdom in the direct Venezuelan export trade, which was unimportant in 1929 and 1932, increased to more than 5 percent in 1937, but declined to 3 percent in 1938. Values ranged from 0.9 million dollars (1932) to 13.5 million dollars (1937). In 1938 they amounted to 9 million dollars. Practically all Venezuelan exports to the United Kingdom consist of gold and petroleum.

Direct Venezuelan exports to Germany constituted nearly 5 percent of the total value of exports in 1929, but in the remaining years under consideration amounted to between 2 and 3 percent, although in terms of dollars the trade was considerably greater in 1938 than in 1929. The value of exports to Germany ranged between 2 million dollars (1932) and 9 million dollars (1938). About nine-tenths of Germany's purchases from Venezuela consists of coffee, cacao, and hides and skins.

Direct purchases by France declined from nearly 3 percent in 1929 to somewhat over 1 percent in 1938. Direct purchases by Italy and Japan are negligible; in none of the years 1929-38 did combined exports to these two countries exceed one-half of 1 percent of the total.<sup>1/</sup>

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<sup>1/</sup> The values of exports to France, Italy, and Japan have varied as follows: France, from 2.6 million dollars (1932) to 4.3 million dollars (1929); Italy, from 103 thousand dollars (1932) to 990 thousand dollars (1937); Japan, 65 thousand dollars (1936) to 219 thousand dollars (1938). No exports to Japan are recorded for 1929 and 1932.

Venezuelan exports (direct) to other Latin American countries are small. In 1937 they were valued at approximately 1.9 million dollars, or six-tenths of 1 percent of total exports.

The shares of Venezuelan exports ultimately taken by the United States, the United Kingdom, and certain other European countries are much greater than those shown in Venezuelan export statistics, inasmuch as most of the Venezuelan petroleum is shipped to the Netherlands West Indies for refining, whence it is reexported, principally to the United States and European countries. The Netherlands West Indies is one of the three largest exporters of petroleum and petroleum products in the world. In 1938 exports from this area amounted to nearly 163 million barrels. Of this amount, fuel oil constituted 60 percent; gasoline, 19 percent; and diesel oil and gas oil, 6 percent each. The remaining 9 percent consisted of kerosene, lubricating oil, and crude oil. The principal markets have been the United Kingdom, the United States, the Netherlands, and Germany. Exports of heavy fuel oil, the largest single classification in exports from the Netherlands West Indies, aggregated 97.4 million barrels in 1938. These exports went to a large number of countries, among the more important of which were the United States (27 percent), the United Kingdom (14 percent), Argentina (9 percent), Germany (7 percent), Italy (6 percent), The Netherlands (5 percent), French Africa (4 percent), Brazil

(3 percent), Gibraltar (3 percent), Panama Canal Zone (2 percent), and France (2 percent).<sup>1/</sup>

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<sup>1/</sup> Apart from heavy fuel oil, the principal petroleum products exported from the Netherlands West Indies have been gasoline, diesel oil, gas oil, kerosene, lubricating oil, and crude oil. Exports of gasoline from the Netherlands West Indies amounted in 1938 to 31 million barrels, of which the United Kingdom took 56 percent; the Netherlands, 11 percent; Germany, 5 percent; Brazil, 4 percent; and Sweden, 3 percent. Exports of diesel oil in 1938 were 9.8 million barrels; of this amount 24 percent went to the United Kingdom and 10 percent each to Norway and the Netherlands. Other markets were Gibraltar, Germany, the Canary Islands, and the Panama Canal Zone. Exports of gas oil, amounting to 9.6 million barrels in 1938, went principally to the United Kingdom (23 percent), the Netherlands (22 percent), Germany (15 percent), and Sweden (12 percent). Kerosene, aggregating 5.2 million barrels in that year, was sold to the United Kingdom (29 percent), the Netherlands (21 percent), the United States (12 percent), and Sweden (8 percent). Lubricating oil (2.3 million barrels in 1938) went to the United States (42 percent), the Netherlands (36 percent), the United Kingdom (14 percent), and Germany (8 percent). Exports of crude oil in 1938 amounted to 7.8 million barrels, of which the Netherlands took 35 percent; France, 25 percent; the United States, 20 percent; and Italy, 14 percent.

Table 6. - Venezuela: Foreign trade with selected countries, in terms of bolivares, in specified years, 1929 to 1938

(Value in thousands of bolivares)

Country	1929	1932	1936	1937	1938
Exports to: <sup>1/</sup>					
All countries —	778,560	628,259	768,463	871,463	887,276
Netherlands West Indies —	433,724	430,734	542,978	629,575	674,904
UNITED STATES —	215,984	130,626	134,563	119,067	117,551
United Kingdom —	9,045	5,783	28,501	47,936	28,887
Germany —	36,335	13,032	15,616	21,164	28,378
Japan —	-	-	255	362	700
Italy —	3,682	684	2,555	3,504	1,594
France —	22,190	16,946	15,289	14,154	11,315
All other countries —	57,600	30,454	28,706	35,681	2/23,947
Imports from: <sup>3/</sup>					
All countries —	452,852	153,458	211,590	304,634	310,949
UNITED STATES —	248,999	69,736	100,238	160,950	175,244
United Kingdom —	58,107	22,127	21,383	28,409	21,874
Germany —	41,561	19,055	31,849	41,434	37,259
Japan —	1,005	639	7,899	9,539	5,337
Italy —	9,556	4,433	3,220	6,297	7,639
France —	19,953	10,282	11,063	8,520	9,184
All other countries —	73,671	27,186	35,938	49,435	2/54,342

<sup>1/</sup> General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f.o.b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum for which fixed unit values have been employed.

<sup>2/</sup> Includes trade with the following countries:

Exports to:	Bolivares (1,000)	Imports from:	Bolivares (1,000)
Canada —	7,984	Belgium —	22,631
		Netherlands —	16,127

<sup>3/</sup> General imports. Bullion, specie, and parcel post are included. Values are f.o.b. port, as per consular invoice.

Source: Compiled by the U.S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Table 7. - Venezuela: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

Country	(Value in thousands of U. S. dollars)					
	1929	1932	1936	1937	1938	
	Value	Percent of total	Value	Percent of total	Value	Percent of total
Exports to: 1/						
(1 bolivar = \$0.1930)			(1 bolivar = \$0.1509)		(1 bolivar = \$0.2824)	(1 bolivar = \$0.3135)
All countries	150,262	100.0	94,804	100.0	246,101	100.0
Netherlands West Indies:	83,709	55.7	64,998	68.6	138,514	72.2
UNITED STATES	41,685	27.7	19,712	20.8	34,327	13.7
United Kingdom	1,746	1.2	873	.9	7,271	3.7
Germany	7,013	4.7	1,966	2.1	3,984	2.0
Japan	-	-	-	-	65	.1
Italy	710	.5	103	.1	102	.2
France	4,283	2.8	2,557	2.7	3,990	1.6
All other countries	11,116	7.4	4,595	4.8	10,075	4.2
Imports from: 4/						
(1 bolivar = \$0.1930)			(1 bolivar = \$0.1509)		(1 bolivar = \$0.2824)	(1 bolivar = \$0.3135)
All countries	87,400	100.0	23,157	100.0	86,029	100.0
UNITED STATES	48,057	55.0	10,523	45.5	25,571	29.8
United Kingdom	11,214	12.8	3,339	14.4	5,455	6.3
Germany	8,021	9.2	2,875	12.4	8,023	9.3
Japan	194	.2	97	.4	11,701	13.6
Italy	1,844	2.1	669	2.9	2,708	3.2
France	3,851	4.4	1,552	6.7	1,778	2.1
All other countries	14,219	16.3	4,102	17.7	2,406	2.8
General exports.	Bullion and specie are included. Parcel post is excluded. Values are current market values, f.o.b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum for which fixed unit values have been employed.					
Less than one-tenth of 1 percent.						
Includes trade with the following countries:						
Exports to:	U. S. dollars (1,000)	Percent of total	Imports from:	U. S. dollars (1,000)	Percent of total	
Canada	2,503	.9	Belgium	7,095	7.3	
General imports.	Bullion, specie, and parcel post are included. Values are f.o.b. port, as per consular invoice.					
			Netherlands	5,056	5.2	

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

# VENEZUELA

## PERCENTAGE DISTRIBUTION OF IMPORTS AND EXPORTS

1929, 1932, 1936-1938

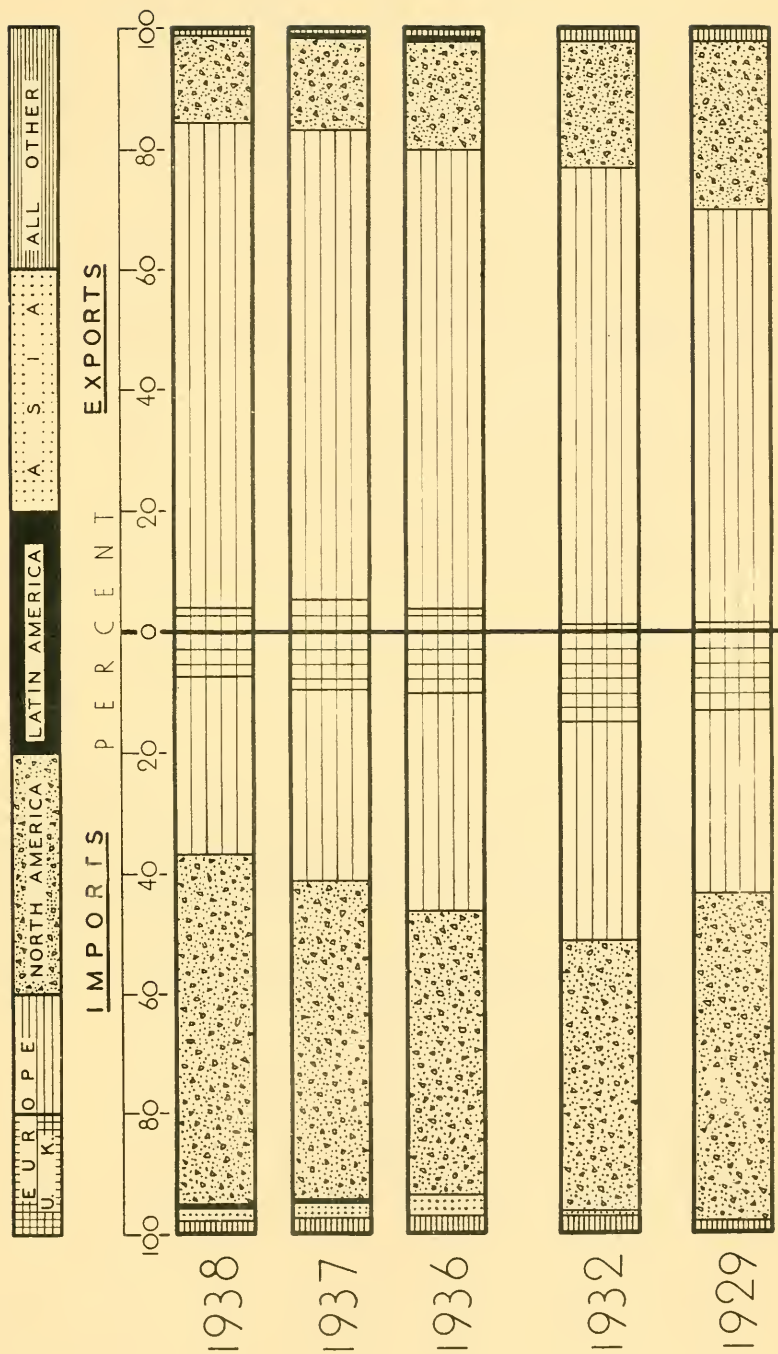




Table 8. - Venezuela: Foreign trade by geographic areas and principal countries, in 1937

(Value in thousands of U. S. dollars)

Exports <sup>1/</sup>			Imports <sup>1/</sup>		
(1 boliver = \$0.2324)			(1 boliver = \$0.2324)		
Exported to -	Value	Percent of total exports	Imported from -	Value	Percent of total imports
Western Hemisphere:			Western Hemisphere:		
UNITED STATES -----	33,625	13.7	UNITED STATES -----	45,452	52.8
Canada -----	4,180	1.7	Canada -----	42	.1
Netherlands West Indies --	177,792	72.2	Netherlands West Indies :	478	.6
All other Western			Colombia -----	380	.4
Hemisphere countries -----	3,633	1.5	All other Western		
			Hemisphere countries :	796	.9
Total -----	219,230	89.1	Total -----	47,148	54.8
Europe:			Europe:		
United Kingdom -----	13,543	5.5	United Kingdom -----	3,023	9.3
Germany -----	5,977	2.4	Germany -----	11,701	13.6
France -----	3,997	1.6	France -----	2,406	2.8
Italy -----	990	.4	Italy -----	1,778	2.1
Netherlands -----	900	.4	Belgium -----	4,980	5.8
All other European			Netherlands -----	4,718	5.5
countries -----	1,345	.6	All other European		
			countries -----	2,089	2.4
Total -----	26,752	10.9	Total -----	35,695	41.5
Asia:			Asia:		
Japan -----	102	2/	Japan -----	2,708	3.2
All other Asiatic			All other Asiatic		
countries -----	3/	2/	countries -----	436	.5
Total -----	102	2/	Total -----	3,144	3.7
Africa -----	17	2/	Africa -----	4	2/
			Oceania -----	38	2/
Grand total -----	246,101	100.0	Grand total -----	86,029	100.0

<sup>1/</sup> General imports. Exports comprise domestic exports and reexports. Parcel post is included in imports but excluded from exports. Bullion and specie are included. Import values are f.o.b. port as per consular invoice. Exports are current market values f.o.b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum.

<sup>2/</sup> Less than five one-hundredths of 1 percent.

<sup>3/</sup> Less than 500.

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela, 1937.

## Imports into Venezuela.

Composition. - Dutiable Venezuelan import classifications are machines, instruments, apparatus, vehicles, and accessories: textiles; foodstuffs and beverages; metals and manufactures; chemicals; minerals (nonmetallic), glass, ceramics, and manufactures; wood, paper, cardboard, and manufactures; animals and industrial animal products; plants and industrial plant products; and sundries. Imports into Venezuela, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in bolivares in table 9 and in dollars in table 10. 1/

Because of the lack of comparable data for 1929 and 1932, a comparison of the value of the various major import groups in those years with the period 1936-38 is not possible. For some of the individual subgroups and commodities, however, the data are available; for these the ratios of the dollar value of imports in 1938 to those in 1929 are as follows: Automobiles, trucks, and accessories, 149 percent; cotton fabrics, 63 percent; wheat flour, 90 percent; rice, 66 percent; preserved milk, 383 percent; lard, 23 percent; perfumery, soap, and similar products, 99 percent; lubricating oils, 124 percent; cement, 105 percent; tanned hides and skins (other than sole leather), 97 percent.

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1/ During the decade 1929-38, the Venezuelan import classifications were changed 4 times. Because of these successive changes, which involved numerous shifts of subgroups and commodities, it has been impracticable to provide data for the years 1929 and 1932, except for a few commodities.

1/  
Table 9. - Venezuela: Imports, in terms of bolivares, by groups, principal subgroups, and commodities, in specified years. 1929 to 1938

(Value in thousands of bolivares)					
Commodity group, subgroup, or commodity 2/	1929	1932	1936	1937	1938
Grand total	452,852	534,458	211,520	304,634	310,949
Dutiable imports:					
Machines, instruments, apparatus, and accessories	3/	3/	28,428	44,394	86,667
Vehicles and accessories	3/	3/	*15,388	23,872	32,380
Automobiles, trucks, and accessories	26,813	5,095	*14,542	21,964	24,619
Metals and manufactures	3/	3/	14/ 8,907	17,379	61,877
Iron and steel and manufactures	3/	3/	5,243	12,378	52,113
Iron and steel manufactures	3/	3/		8,313	44,870
Iron and steel piping, not coppered, bronzed, or nickeled, and connections, plugs, and cocks	3/	3/	3/	1,344	25,292
Enameled iron or steel articles	3/	3/	1,764	2,879	1,047
Raw and semiworked iron and steel	3/	3/	3/	4,064	7,244
Structural shapes and rails	3/	3/	3/	1,193	1,778
Copper, bronze, brass, and manufactures in chief value of these metals	3/	3/	554	1,580	4,421
Aluminum, antimony, tin, nickel, lead, zinc, and manufactures in chief value of these metals	3/	3/	704	1,364	1,417
Foodstuffs and beverages	3/	3/	21,253	28,664	34,407
Cereals, meal and flour, and starch	3/	3/	3/	10,591	10,557
Wheat flour	10,042	5,450	4,534	6,029	5,581
Rice, in the grain (husked)	5,300	2,134	2,377	2,130	2,164
Oats, rolled	489	316	918	1,212	1,433
Eggs, and milk and its preparations	3/	3/	3/	4,303	7,036
Milk, preserved	2,096	924	1,093	2,417	4,948
Butter, pure	3,447	1,542	558	1,109	1,056
Cheese	1,622	553	572	777	1,027
Preparations, preserves, and miscellaneous products	3/	2/	3/	4,112	5,527
Special foods for children, and dietetic foods (not containing more than 10 percent cocoa)	3/	3/	800	1,232	1,629
Beverages and other liquids	3/	3/	2,808	3,602	3,776
Cognac	3/	3/	868	1,092	1,164
Whisky	1,159	394	618	782	919
Vegetables, pot herbs, fruits, and spices	3/	2/	3/	2,263	2,719
Meat and fish products	3/	2/	3/	1,973	2,230
Sardines of all kinds	2,617	326	1,121	1,657	1,711
Lard, oils, and fats	2/	3/	3/	1,726	2,458
Lard	7,265	2,895	70	840	1,047
Olive oil, pure 3/	1,680	563	866	751	1,258

Footnotes at end of table.

Table 9. - Venezuela: Imports, <sup>1/</sup> in terms of bolívares, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938 - Continued

(Value in thousands of bolívares)

Commodity group, subgroup, or commodity 2/	1929	1932	1936	1937	1938
Dutiable imports - continued:					
Textiles -----	3/	3/	32,290	41,868	31,435
Cotton -----	3/	3/	3/	28,998	18,950
Cotton fabrics, pure -----	32,874	13,896	*17,041	20,246	12,747
Cloth, bleached, plain weave, weighing not more than 130 grams -----	3/	3/	*2,126	2,006	1,378
Dyed fabrics, figured weave -----	3/	3/	*553	2,459	1,148
Drill (cotton suiting) -----	3/	3/	*3,879	6,133	3,267
Fabrics, printed, figured -----	3/	3/	3/	2,224	1,456
Made-up articles and manufactures -----	3/	3/	3/	3,780	2,756
Stockings and socks, not exceeding 340 grams per dozen pairs -----	2,034	1,144	1,192	1,377	362
Yarn and thread -----	3/	3/	3/	2,625	1,628
Thread, ordinary sewing -----	2,622	1,673	1,909	1,964	1,052
Duck, plush, knitted tissues, and special tissues -----	3/	3/	3/	1,504	1,104
Duck -----	1,711	622	814	1,277	837
Wool -----	3/	3/	3/	3,952	4,028
Wool fabrics -----	3,451	1,070	*2,019	2,774	2,906
Woolen or goat's hair fabrics, pure and mixed -----	3/	3/	1,801	2,300	2,329
Silk, and flax and ramie -----	3/	3/	2/	5,637	5,325
Flax and ramie fabrics -----	556	275	*1,136	1,968	1,546
Silk fabrics -----	1,268	2,983	*1,626	1,457	1,198
Hemp, jute, and other common fibers -----	3/	3/	2/	1,676	1,789
Fabrics -----	3/	3/	*913	709	585
Raw materials and yarns -----	3/	3/	*442	842	1,014
Chemicals -----	3/	3/	11,917	14,495	17,948
Pharmaceutical products -----	3/	3/	3/	7,674	8,130
Patent medicines and specifics, n.s.m. -----	3/	3/	6,048	6,440	6,956
Chemical products -----	3/	3/	3/	1,795	2,896
Perfumery, soap, and similar products 5/ -----	*2,801	*1,636	1,809	1,649	1,702
Paints and colors -----	3/	3/	3/	1,363	1,224
Explosives and fireworks -----	3/	3/	310	167	943
Minerals (nonmetallic), glass, ceramics, and manufactures -----	3/	3/	6,143	8,355	16,369
Glass and crystal -----	3/	3/	3/	3,533	3,258
Flasks or bottles -----	3/	3/	1,191	1,659	1,346
Petroleum, bitumen, and derivatives -----	3/	3/	1,908	2,658	5,157
Lubricating oils -----	3,784	2,379	875	907	2,893
Mineral products and manufactures, miscellaneous -----	3/	3/	3/	1,133	6,765
Cement -----	6,215	2,661	627	377	3,996

See footnotes at end of table.

Table 9. - Venezuela: Imports, <sup>1/</sup> in terms of bolívares, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938 - Continued

(Value in thousands of bolívares)					
Commodity group, sub-group, or commodity 2/	1929	1932	1936	1937	1938
<b>Dutiable imports - continued:</b>					
Wood, paper, cardboard, and manufactures	3/	3/	6/ 3,913	6,127	8,786
Paper, cardboard, and imitations	2/	3/	3,571	4,461	5,103
Paper and cardboard, unmanufactured	2/	3/	2,132	2,530	2,647
Manufactures of paper and cardboard	2/	2/	1,439	1,931	2,456
Animals and industrial animal products	3/	3/	3,786	4,910	4,341
Hides and skins, and manufactures	3/	3/	3,243	4,157	3,462
Hides and skins, tanned, other than sole leather			2,732	3,329	2,747
Hats of all kinds 5/	*4,596	*2,184	1,654	7/	8/
Furniture of all kinds 5/	*4,977	*1,735	732	8/	9/
Plants and industrial plant products	3/	3/	*3,200	2,925	3,815
Miscellaneous products	3/	3/	*6,605	9,598	15,852
Gymnastic, sports, and hunting articles, games and toys	3/	3/	3/	1,895	2,246
Electrical equipment	3/	3/	3/	2,635	7,741
All other miscellaneous products	2/	3/	3/	5,018	5,865
Footwear, finished or half finished, n.s.m., and hats, n.s.m.	2/	2/	9/	1,357	1,864
<b>Duty-free and exempt imports:</b>					
Duty-free goods	3/	3/	9,902	13,224	26,508
Gold coin (private importation)	3/	3/		863	552
Products specially exempt from duty by the Government:					
Supplies for petroleum companies	3/	3/	46,955	85,576	10/
Supplies for other purposes	3/	2/	3,430	3,604	10/

See footnotes at end of table.

Table 9. - Venezuela: Imports, <sup>1/</sup> in terms of bolivares, by groups, principal subgroups and commodities, in specified years, 1929 to 1938 - Continued

(Value in thousands of bolivares)					
Commodity group, subgroup, or commodity <sup>2/</sup>	1929	1932	1936	1937	1938
Duty-free and exempt imports - continued:					
Products imported by the National Government: (free of duty):					<sup>11/</sup>
Government supplies, etc. -----	3/	3/	17,598	19,496	2,296
Silver coin -----	3/	3/	4,471	3,155	-
Nickel coin -----	3/	3/	400		96
Parcel post -----	23,374	12/	12/	12/	12/

<sup>1/</sup> General imports. Bullion, specie, and parcel post are included. Values are f.o.b. port as per consular invoice.

<sup>2/</sup> Classifications employed in this table are those given in the Venezuelan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3/</sup> During the period covered in this table, the import classifications were changed four times. Because of these successive changes, which involved numerous shifts of subgroups and commodities from group to group, it has been impracticable to provide data for the years 1929 and 1932, except in the case of a few individual commodities. Data for 1936 are comparable with those for 1937 and 1938, except in the case of those marked with an asterisk. These probably are comparable, but may not be strictly so.

<sup>4/</sup> Does not include metal furniture, which amounted to approximately 543,000 bolivares.

<sup>5/</sup> Data for years 1929, 1932, and 1936 compiled from Anuario Estadístico de Venezuela, 1938.

<sup>6/</sup> Does not include wood furniture, which amounted to approximately 189,000 bolivares.

<sup>7/</sup> Distributed under "Miscellaneous," subgroup "All other."

<sup>8/</sup> Distributed under groups "Metals" and "Wood, paper, cardboard, and manufactures."

<sup>9/</sup> Hats included in "hats," and "footwear" under "Animals and industrial animal products."

<sup>10/</sup> Distributed among the various groups.

<sup>11/</sup> Consists of imports "reserved to the Government" only. Government supplies were distributed among the various groups.

<sup>12/</sup> Parcel post, which is distributed among the groups, subgroups, and commodities, was valued at 10,049,196 bolivares in 1952; 9,740,587 bolivares in 1936; 13,117,668 bolivares in 1937; and 13,692,862 bolivares in 1938.

\* See footnote 3.

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Table 10. - Venezuela: Imports, in terms of dollars, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938.

Commodity group, subgroup, or commodity	(Value in thousands of U. S. dollars)									
	1929		1932		1936		1937		1938	
	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports
Grand total	87,400	100.0	23,157	100.0	53,977	100.0	86,029	100.0	97,483	100.0
Dutiable imports:										
Machines, instruments, apparatus, and accessories	3/		3/		7,252	13.4	12,537	14.6	27,170	27.9
Vehicles and accessories	3/		3/		3,926	7.3	6,741	7.8	10,151	10.4
Automobiles, trucks, and accessories	5,175	5.9	769	3.3	3,710	6.9	6,203	7.2	7,718	7.9
Metals and manufactures	3/		3/		2,272	4.2	4,908	5.7	19,398	19.9
Iron and steel manufactures	3/		3/		1,358	2.5	3,495	4.1	16,337	16.8
Iron and steel manufactures	2/		3/		3/		2,348	2.7	14,067	14.4
Iron and steel piping, not coppered, bronzed or nickel-plated, connections, plugs and cocks	3/		3/		3/		379	.4	7,929	8.1
Enameled iron or steel articles	3/		3/		3/		813	.9	328	.3
Raw and semiworked iron and steel	3/		3/		450	.8	1,148	1.3	2,271	2.3
Structural shapes and rails	2/		3/		3/		337	.4	557	.6
Copper, bronze, brass, and manufactures in chief value of these metals	2/		3/		141	.3	446	.5	1,386	1.4
Aluminum, antimony, tin, nickel, lead, zinc, and manufactures in chief value of these metals	3/		3/		180	.3	385	.4	444	.5
Foodstuffs and beverages	3/		3/		5,422	10.0	8,095	9.4	10,787	11.1
Cereals, meal and flour, and starch	1,938	2.2	822	3.6	1,157	2.1	2,991	3.5	3,310	3.4
Wheat flour	1,023	1.2	331	1.4	606	1.1	1,703	2.0	1,750	1.8
Rice, in the grain (husked)	94	.1	48	.2	234	.4	342	.4	678	.7
Oats, rolled	3/		3/		3/		1,215	1.4	449	.5
Eggs, and milk and its preparations	405	.5	139	.6	279	.5	683	.8	2,206	2.3
Milk, preserved	665	.8	233	1.0	142	.3	313	.4	1,551	1.6
Butter, pure	313	.4	83	.4	146	.3	219	.3	331	.3
Cheese	3/		3/		3/		1,161	1.3	1,723	1.8
Preparations, preserves, and miscellaneous products:										
Special foods for children, and dietetic foods (not containing more than 10 percent cocoa)	3/		3/		204	.4	348	.4	511	.5
Beverages and other liquids	3/		3/		716	1.3	1,017	1.2	1,184	1.2
Cognac	3/		3/		221	.4	308	.4	365	.4
Whisky	224	.3	60	.3	158	.3	221	.3	288	.3
Vegetables, pot herbs, fruits, and spices	2/		3/		3/		639	.7	852	.9
Meat and fish products	3/		3/		3/		557	.6	699	.7
Sardines of all kinds	505	.6	49	.2	286	.5	468	.5	537	.6
Lard, oils, and fats	2/		3/		3/		487	.6	771	.8
Lard	1,402	1.6	437	1.9	18	.0	237	.3	328	.3
Olive oil, pure	324	.4	86	.4	221	.4	212	.3	394	.4

See footnotes at end of table.

Table 10. - Venezuela: Imports, in terms of dollars, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938 - continued

Commodity group, subgroup, or commodity	1929			1932			1936			1937			1938			
	(Value in thousands of U. S. dollars)			(Value in thousands of U. S. dollars)			(Value in thousands of U. S. dollars)			(Value in thousands of U. S. dollars)			(Value in thousands of U. S. dollars)			
	Value	Percent of total imports	Percent of total	Value	Percent of total imports	Percent of total	Value	Percent of total imports	Percent of total	Value	Percent of total imports	Percent of total	Value	Percent of total imports	Percent of total	
Outable imports - continued:																
Textiles																
Cotton	3/		3/			8,237		15.3		11,824		13.7		9,855		10.1
Cotton fabrics, pure	3/		2/			3/				8,189		9.5		5,941		6.1
Cloth, bleached, plain weave, weighing not more than 150 grams	6,345		7.3			4,347		8.1		5,717		6.6		3,996		4.1
Dyed fabrics, figured weave	3/		3/			542		1.0		567		.7		432		.4
Drill (cotton suiting)	3/		3/			141		.3		695		.8		360		.4
Fabrics, printed, figured	3/		3/			989		1.8		1,732		2.0		1,024		1.1
Mode-up articles and manufactures	3/		3/			3/				628		.7		456		.5
Stockings and socks, not exceeding 3/40 grams	393		173			304		.6		1,068		1.2		864		.9
per dozen pairs	3/		3/			3/				389		.5		114		.1
Yarn and thread	506		252			487		.9		741		.9		510		.5
Thread, ordinary sewing	3/		3/			3/				555		.6		330		.3
Duck, plush, knitted tissues, and special tissues	330		94			208		.4		361		.4		262		.4
Duck	666		161			3/				1,116		1.3		1,263		1.3
Wool	3/		3/			515		1.0		783		.9		911		.9
Woolen or goat's hair fabrics, pure and mixed	3/		3/			460		.9		650		.8		730		.7
Silk, and flax and ramie	3/		3/			3/				1,592		1.9		1,669		1.7
Flax and ramie fabrics	107		42			290		.5		556		.6		485		.5
Silk fabrics	245		450			415		.8		411		.5		376		.4
Hemp, jute, and other common fibers	3/		3/			3/				473		.5		561		.6
Fabrics	3/		3/			233		.4		200		.2		183		.2
Raw materials and yarns	3/		3/			113		.2		238		.3		318		.3
Chemicals	3/		3/			3,040		5.6		4,093		4.8		5,627		5.8
Pharmaceutical products	3/		3/			3/				2,167		2.5		2,549		2.6
Patent medicines and specifics, n.s.m.	3/		3/			1,543		2.9		1,819		2.1		2,181		2.2
Chemical products	3/		3/			3/				507		.6		908		.9
Perfumery, soap, and similar products	541		247			462		.9		466		.5		534		.5
Paints and colors	3/		3/			3/				385		.4		697		.7
Explosives and fireworks	3/		3/			79		.1		47		.1		296		.3
Minerals (nonmetallic), glass, ceramics, and manufactures	3/		3/			1,569		2.9		2,359		2.7		5,132		5.3
Glass and crystal	3/		3/			3/				998		1.2		1,021		1.0
Flasks or bottles	3/		3/			304		.6		469		.5		422		.4
Petroleum, bitumen, and derivatives	3/		3/			487		.9		751		.9		1,617		1.7
Lubricating oils	730		359			223		.4		256		.3		907		.9
Mineral products and manufactures, miscellaneous	3/		3/			3/				320		.4		2,121		2.2
Cement	1,199		402			160		.3		107		.1		1,253		1.3

See footnotes at end of table.

Table 10. Venezuela: Imports, in terms of dollars, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938 - continued

Commodity group, subgroup, or commodity	(Value in thousands of U. S. dollars)									
	1929		1932		1936		1937		1938	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
	(1 bolívar = \$0.1930)	(1 bolívar = \$0.1509)	(1 bolívar = \$0.2551)	(1 bolívar = \$0.2824)	(1 bolívar = \$0.2551)	(1 bolívar = \$0.2824)	(1 bolívar = \$0.2551)	(1 bolívar = \$0.2824)	(1 bolívar = \$0.2551)	(1 bolívar = \$0.2824)
<b>Dutiable imports - continued:</b>										
Wood, paper, cardboard, and manufactures	3/	3/	7/	563	1.8	1,770	2.0	2,724	2.8	1.6
Paper, cardboard, and imitations	3/	3/		9.1	1.7	1,260	1.5	1,600	1.6	1.6
Paper and cardboard, unmanufactured	3/	3/		544	1.0	715	.8	830	.9	.9
Manufactures of paper and cardboard	3/	3/		367	.7	545	.6	770	.8	.8
Animals and industrial animal products	3/	3/			966	1.8	1,387	1.6	1,361	1.4
Hides and skins, and manufactures	3/	3/		827	1.5	1,174	1.4	1,035	1.1	1.1
Hides and skins, tanned, other than sole leather	6/	330	1.4	667	1.3	940	1.1	861	.9	.9
Hats of all kinds	6/	961	1.1	422	.8	8/		8/		
Furniture of all kinds	3/	3/		187	.3	9/		9/		
Plants and industrial plant products	3/	3/		816	1.5	826	1.0	1,196	1.2	
Miscellaneous products	3/	3/		1,685	3.1	2,770	3.2	4,970	5.1	
Gymnastic sports, and hunting articles, games and toys	3/	3/		3/		535	.6	704	.7	
Electrical equipment	3/	3/		3/		758	.9	2,427	2.5	
All other miscellaneous products	3/	3/		3/		1,417	1.6	1,839	1.9	
Footwear, finished or half finished, n.s.m., and hats, n.s.m.	3/	3/		10/		983	.4	584	.6	
<b>Duty-free and exempt imports:</b>										
Duty-free goods	3/	3/		2,526	4.7	3,734	4.3	8,310	8.5	
Gold coin (private importation)	3/	3/				244	.3	173	.2	
Products specially exempt from duty by the Government:										
Supplies for petroleum companies	3/	3/		11,978	22.2	24,167	28.1	11/		
Supplies for other purposes	3/	3/		875	1.6	1,018	1.2	11/		

See footnotes at end of table.

Table 10. - Venezuela: Imports, in terms of dollars, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938 - Continued

	(Value in thousands of U. S. dollars)											
	1929		1932		1936		1937		1938			
	:(1 bolivar = \$0.1930):		:(1 bolivar = \$0.1509):		:(1 bolivar = \$0.2551):		:(1 bolivar = \$0.2824):		:(1 bolivar = \$0.3135):			
Commodity group, subgroup, or commodity 2/	Value	: of total	Value	: of total	Value	: of total	Value	: of total	Value	: of total	Value	: of total
	: Imports		: Imports		: Imports		: Imports		: Imports		: Imports	
Duty-free and exempt imports - continued:												
Products imported by the National Government: (free of duty):												
Government supplies, etc.	3/		3/		4,489	8.3	5,506	6.4	12/ 720	1.7		
Silver coin	3/		3/		1,140	2.1	891	1.0				
Nickel coin	3/		3/		102	.2						
Parcel post	4,511	5.2	13/		13/		13/		13/			

1/ General imports. Bullion, specie, and parcel post are included. Values are f.o.b. port, as per consular invoice.

2/ Classifications employed in this table are those given in the Venezuelan import statistics for 1938. Groups are ranked according to value in 1938.

3/ During the period covered in this table, the import classifications were changed four times. Because of these successive changes, which involved numerous shifts of subgroups and commodities from group to group, it has been impracticable to provide data for the years 1929 and 1932, except for a few individual commodities. Data for 1936 are comparable with those for 1937 and 1938, except those marked with an asterisk. These probably are comparable, but may not be strictly so.

4/ Does not include metal furniture, which amounted to approximately \$139,000.

5/ Less than 5/10 of 1 percent.

6/ Data for years 1929, 1932, and 1936 compiled from Anuario Estadístico de Venezuela, 1938.

7/ Does not include wood furniture, which amounted to approximately \$43,000.

8/ Distributed under "Miscellaneous," subgroup "All other."

9/ Distributed under groups "Metals" and "Wood, paper, cardboard, and manufactures."

10/ Hats included in "Hats," and "Footwear" under "Animals and industrial animal products."

11/ Distributed among the various groups.

12/ Consists of imports "reserved to the Government" only. Government supplies were distributed among the various groups.

13/ Parcel post, which is distributed among the groups, subgroups, and commodities, was valued at \$1,516,000 in 1932; \$2,485,000 in 1936; \$3,704,000 in 1937; and \$4,292,712 in 1938.

\* See footnote 3.

Sources: Compiled by U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela.

Imports of commodities classified as duty free under the Venezuelan tariff schedule constituted about 8 percent of total imports into Venezuela in 1938,<sup>1/</sup> but several types of special exemptions ordinarily bring the proportion of imports on which no duties are paid up to 40 percent or more. These are imports by petroleum companies (largely oil-well and pipe-line machinery and equipment); other private imports specially exempted for the purpose of fostering domestic production; imports by the National Government for its own use; and imports of commodities reserved to the National Government.<sup>2/</sup> The exempted imports by the petroleum companies constituted 30 percent of aggregate imports in 1938. Those products imported by or reserved for the National Government in 1938 accounted for 8 percent, and exempt private imports for nearly 2 percent. In 1929, imports by parcel post, shown separately, constituted 5 percent of all imports. In subsequent years, imports by parcel post were distributed among the various groups, subgroups, and commodities.

The most important dutiable import group in 1938 - machines, instruments, apparatus, and vehicles - accounted for 28 percent of the value of total imports. Metals and manufactures, the second ranking group, constituted 20 percent of total imports. followed by

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<sup>1/</sup> Important commodities in this classification include oil-drilling and specified agricultural equipment; stoves and water heaters; insecticide and disinfecting equipment; fencing materials; and medicines for specific uses. In 1937 these commodities accounted for over 50 percent of articles imported free of duty under the tariff.

<sup>2/</sup> Articles, the importation of which is prohibited by or reserved to the National Government, include: Sea and rock salt, and solid preparations with a base of sea or rock salt; frozen, dried, and salted meats (except frozen poultry); matches, cigarette paper, and coconuts and copra.

foods and beverages, 11 percent; textiles, 10 percent; products of the chemical industries, 6 percent; sporting, electrical, and miscellaneous goods, 5 percent; and minerals (nonmetallic), glass, and ceramics, 5 percent. Other import classifications, with their share of the value of total imports in 1938, were: Wood, paper, cardboard, and their manufactures, 3 percent; animals and industrial animal products, 1 percent; and plants and industrial plant products, 1 percent. Since the tariff classification "free of duty" includes certain commodities of the types listed above under the dutiable classifications, the percentages shown do not indicate all of the imports of the various types of articles mentioned.

Prior to 1938, Venezuelan import statistics did not show any commodity breakdown for the published totals of exempted categories. The discussion of the composition of the Venezuelan import trade, therefore, is largely confined to the data for 1938. Table 11 shows the actual duty treatment accorded the various import groups in that year.

Duties have been collected on large percentages of imports of certain commodities into Venezuela, but for certain important classes the exempt category has been high. For the groups listed below, the percentage on which duties actually were collected were as follows: Foods and beverages, more than 99 percent; animals and industrial animal products, 82 percent; textiles, 80 percent; products of the chemical industries, 75 percent; plants and industrial plant products,

68 percent; wood, paper, cardboard, and manufactures, 68 percent; and minerals, glass, and ceramics, 51 percent. In the important machines, instruments, apparatus and vehicles group, only 49 percent (by value) entered duty-paid. Only 23 percent of the value of all metals and manufactures were duty-paid.

Imports by parcel post are concentrated largely in sporting, electrical, and miscellaneous goods; textiles; animals and industrial animal products; and plants and industrial plant products. In 1938, 19 percent of the value of all sporting, electrical, and miscellaneous goods, 15 percent of all textiles, 10 percent of all animals and industrial animal products, and 8 percent of all plants and industrial plant products entered via parcel post (see table 11.) Importing by parcel post is advantageous, because on such imports the specific duty is levied on the net weight, with a moderate duty on the packing, <sup>1/</sup> whereas on other imports the specific duties are based on gross weight.

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<sup>1/</sup> Duty-free imports by parcel post are negligible; in the first 6 months of 1938 they amounted to only 200,000 bolivaries (63 thousand dollars).

Table 11.- Venezuela: Imports, by groups, showing tariff treatment, in 1938

Commodity group	(In percentage of group totals)									
	Duty-paid imports		Imports exempted from duty							
	Petroleum and other foreign commerce	Total duty-paid	Total duty-free	National government contracts	Oil company	Other exemptions	Total exempted	Total	Parcel post	
Machines, instruments, apparatus, and vehicles	46.5	2.4	48.9	10.1	36.4	2.9	49.4	1.7		
Metals and manufactures	20.9	2.5	23.4	9.9	62.6	1.9	74.4	2.2		
Textiles	79.0	.8	79.8	1.9	2.9	.2	5.0	15.2		
Foodstuffs and beverages	95.8	3.6	99.4	.4	1/	.2	.6	1/		
Sporting, electrical, and miscellaneous goods	43.5	3.8	47.3	6.3	25.1	1.9	33.3	19.4		
Chemical products	73.8	1.2	75.0	2.6	13.8	2.3	18.7	6.3		
Minerals (nonmetallic), glass, ceramics and manufactures	40.3	10.9	51.2	14.0	30.0	2.2	46.2	2.6		
Wood, paper, cardboard, and manufactures	53.6	14.9	68.5	6.9	20.6	.6	28.1	3.4		
Animals and industrial animal products	80.9	.8	81.7	6.6	1.7	.2	8.5	9.8		
Plants and industrial plant products	63.8	4.0	67.8	3.2	19.9	1.1	24.2	8.0		

1/ Less than one-tenth of 1 percent.

Source: Compiled by the U. S. Tariff Commission from Estadística Mercantil y Marítima, Estados Unidos de Venezuela, Semestre de Enero a Junio de 1938 and Semestre de Julio a Diciembre de 1938.

Sources.- Significant features of the Venezuelan import trade in the decade 1929-38 have been the maintenance by the United States of its position as the dominant supplier, and the decline in the importance of the United Kingdom. Imports into Venezuela from selected countries, in specified years, 1929 to 1938, have already been shown in tables 7 and 8. In 1938, the principal sources of Venezuelan imports, with the share of the total value supplied by each country, were the United States, 56 percent; Germany, 12 percent; the United Kingdom, 7 percent; Belgium, 7 percent; and the Netherlands, 5 percent. Other important suppliers in this year included Japan, France, and Italy.

During the decade 1929-38, the United States furnished approximately one-half of the total imports into Venezuela in each year; the share was highest in 1938. The value of imports from the United States ranged from 10.5 million dollars (1932) to 55 million dollars (1938). In 1929 and 1932, the United Kingdom occupied second place, with shares of 13 and 14 percent, respectively. In the period 1936-38, however, that country's share declined from 10 to 7 percent, and Germany became the second supplier. In value, purchases from the United Kingdom varied between 3 million dollars (1932) and 11 million dollars (1929); in 1938, they were 7 million dollars. Germany's share in the Venezuelan import trade ranged from 9 percent to 15 percent, the value ranging from 3 million dollars (1932) to 12 million dollars (1937 and 1938). The shares of France, Italy, and Japan varied; in 1938 these 3 countries

combined accounted for 7 percent of the value of imports into Venezuela (see table 7).<sup>1/</sup>

Venezuelan imports from the other countries of Latin America are negligible. In 1937 they amounted to only 861 thousand dollars, as compared with total imports of 86 million dollars.

The United States is by far the principal supplier of duty-paid imports in the important group of "machines, instruments, apparatus, vehicles, and accessories." In imports of textiles and products in 1937,<sup>2/</sup> the United Kingdom ranked first, followed by Japan, Germany, and the United States. The most important source of duty-paid foodstuffs and beverages imported into Venezuela is the United States; over one-third of the shipments received from this country in 1937 consisted of wheat flour. Other suppliers of beverages and foodstuffs in 1937, with the principal commodities furnished, were: France, cognac and champagne; the Netherlands, cheese and rice; Thailand (Siam), rice; Italy, wines; Denmark, butter; and Spain, sardines and white wines.

Germany was the leading country of origin for duty-paid imports of metals and manufactures in 1937, followed by the United States and Belgium. In the same year, the United States and Germany were the principal sources of imports in the following

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<sup>1/</sup> The values of imports from France, Italy, and Japan ranged as follows: France, from 1.6 million dollars (1932) to 3.9 million dollars (1929); Italy, from 669 thousand dollars (1932) to 2.4 million dollars (1938); Japan, from 97 thousand dollars (1932) to 2.7 million dollars (1937).

<sup>2/</sup> The latest year for which statistics are readily available.

duty-paid groups: Minerals (nonmetallic), glass, ceramics, and manufactures; wood, paper, cardboard, and manufactures; animals and industrial animal products; and plants and industrial plant products.

In 1937 approximately 70 percent of the products specially exempted from duty originated in the United States. Most of the remainder was furnished by the Netherlands (11 percent), Belgium (8 percent), the United Kingdom (7 percent), and Germany (2 percent). Of products imported by the National Government, 61 percent came from the United States, 11 percent from Germany, 6 percent from Finland, and 6 percent from Belgium. Germany was the leading supplier of imports by parcel post in 1937 (37 percent), followed by the United States (25 percent), France (11 percent), Italy (8 percent), Switzerland (5 percent), the United Kingdom (4 percent), and Czechoslovakia (4 percent).

### United States Trade With Venezuela

Venezuela is the world's largest exporter of petroleum; it is also the principal source of United States imports of crude petroleum. Though the purchases of Venezuelan petroleum and petroleum products by the United States are not as large as those of Europe, they are of considerable importance, in both United States and Venezuelan foreign trade. Petroleum represents all but a small part of total United States imports from Venezuela, and it is the income of the Venezuelan petroleum industry upon which largely depends the nation's foreign purchasing power, and, in turn, United States exports to Venezuela.

Because of the substantial volume of indirect import trade from Venezuela into the United States through the Netherlands West Indies, official trade statistics of the direct trade fail to indicate the actual position of Venezuela in United States imports. United States general imports from Venezuela were reported at 23.6 million dollars in 1939, but this figure greatly understates the trade originating in Venezuela, inasmuch as 18.5 million dollars of petroleum products were imported from the nearby Netherlands West Indies where refineries owned by nationals of the United States and the Netherlands operating on crude petroleum obtained largely from Venezuela, are situated.

1/ The real value of United States imports originating in Venezuela is, of course, less than the combined imports from Venezuela and petroleum products from the Netherlands West Indies by the amount of the value added by manufacture. There are a few small refineries in Venezuela, but these are mainly to supply domestic consumption. Venezuela's refining capacity is growing, however, chiefly because the Government in recent years has required companies receiving additional petroleum concessions to build refineries in that country. The refineries constructed under this requirement are small compared with those in the Netherlands West Indies.

Trend of United States-Venezuelan trade.

Statistics showing the trend of United States imports from Venezuela and of imports of petroleum products from the Netherlands West Indies are given in table 12. Both direct and indirect imports from Venezuela have fluctuated materially in the last decade with changes in the world demand of and in the price of petroleum. Imports from Venezuela expanded greatly during the last half of the 1920's, reflecting in part the enlarged output of Venezuela's relatively new petroleum industry. This period of expansion was interrupted by the industrial depression, and during the period 1930-32 imports were considerably smaller in terms of both value and quantity. A further contraction in imports in 1933 was probably caused, in large part, by the imposition in the preceding year of a United States import excise tax on petroleum and its products, which prior to June 1932 had been imported free of duty.

The fluctuating price of petroleum was an important factor influencing the trend of United States imports of petroleum from Venezuela. In 1939, for example, the average unit value of imports of crude petroleum from Venezuela was about 70 cents per barrel, compared with only 50 cents in 1933 and with 95 cents in 1929. Rising petroleum prices since 1933 have accounted for the advance in the value of imports from Venezuela, inasmuch as the volume of imports of crude petroleum has been no larger in recent years than at the recession low of 1932. Indirect imports from Venezuela through the Netherlands West Indies have shown trends similar to those of direct imports.

Though the direct imports from Venezuela in recent years have been materially smaller than in the peak year 1929, they compare favorably with those in the middle of the 1920's. Imports totaled 23.6 million dollars in 1939, 51.2 million dollars in 1929, and 19.6 million dollars in 1925. Similarly, Venezuela's share in total United States imports from Latin American has been smaller recently than in 1929, but considerably larger than in several other years of the 1920's. In 1939 direct imports from Venezuela represented 4.5 percent of total imports from Latin America compared with 5.1 percent in 1929, and 2.0 percent in 1925. If the total value of petroleum products from the Netherlands West Indies is added, the comparable ratios become 7.4 percent in 1939, 10.6 percent in 1929, and 2.7 percent in 1925.<sup>1/</sup>

Although as a source of United States imports Venezuela has declined in importance during the last decade, as a market for United States products it has greatly increased. As shown in table 12, Venezuela's share in total United States exports to Latin America increased rapidly from 5.4 percent in 1935 to 10.9 percent in 1939, when it was more than double that in 1929. Exports to Venezuela in 1939, amounting to 62 million dollars, were one-third greater in value than in 1929 and several times those in 1932. Most of this extraordinary increase in sales in recent years has been the result of the accelerated pace of petroleum exploration and

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<sup>1/</sup>This somewhat overstates the share of trade supplied by Venezuela because of the value added by the refining of the crude petroleum in the Netherlands West Indies.

development in Venezuela which has led to greatly increased purchases from the United States of necessary materials and machinery.

In the 9 months since the outbreak of the European war direct imports from and exports to Venezuela have increased about 50 percent, as compared with the same period of 1938-39, or about as great an increase as in the trade with Latin America as a whole. Indirect imports through the Netherlands West Indies have increased only 14 percent.

Table 12.- United States imports from and exports to Venezuela, together with imports of petroleum products from the Netherlands West Indies, 1924-39, and in the first 9 months of the European war

(Value in thousands of dollars)

Year	Imports			Exports (including re-exports)		
	General	Petroleum products	Direct imports	Percent of		
	imports	from the	from Venezuela	total United		
	from	Netherlands	as percent of	Exports	States exports	
	Venezuela:	West Indies 1/	total imports	to	to Latin	America
			from Latin	Venezuela:		
			America			
1924	16,463	2,746	1.6	17,643	2.4	
1925	19,564	8,212	2.0	25,157	3.0	
1926	23,316	23,813	2.2	39,690	4.8	
1927	28,598	29,437	3.0	34,744	4.3	
1928	38,905	53,921	4.1	37,920	4.6	
1929	51,224	63,865	5.1	45,325	5.0	
1930	36,868	77,580	5.4	32,967	5.3	
1931	26,845	50,343	5.6	15,645	5.0	
1932	20,294	23,447	6.3	10,229	5.2	
1933	13,450	6,000	4.3	13,115	6.1	
1934	22,120	8,168	6.0	19,281	6.3	
1935	21,428	12,561	4.7	18,585	5.4	
1936	26,258	14,231	5.2	24,079	6.1	
1937	22,770	19,745	3.4	46,445	8.0	
1938	20,032	19,050	4.4	52,278	10.6	
1939 2/	23,612	18,509	4.5	61,952	10.9	
9 months						
Sept.-May 2/						
1938-39	14,938	13,662	4.2	38,487	10.5	
1939-40	22,449	15,553	4.9	55,637	10.0	
Percent change	+50.3	+13.8		+44.6		

1/ General imports, 1924-30; imports for consumption, 1931-40. Merchandise imported under bond for supplies of vessels and for manufacture and export is included.

2/ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports from Venezuela.

Composition.— In 1939 the principal United States imports from Venezuela were crude petroleum (82 percent), coffee (8 percent), cacao (6 percent), and dry goat skins (1 percent). With the growth of Venezuela's petroleum industry during the last decade, the share of imports accounted for by petroleum increased while that for coffee decreased greatly (see table 13). Since 1933 most of the imports of petroleum products from the Netherlands West Indies, shown in table 12, have consisted of fuel oil, chiefly for the supplies of vessels; before 1933 considerable quantities of gasoline were imported.

In examining the trend of imports in the period shown in table 13, it should be noted that the value of imports in 1929 was very high compared with other years.

Although the United States buys substantial amounts of petroleum from Venezuela and petroleum products from the Netherlands West Indies, it is itself the world's largest producer and a net exporter of petroleum and its products. Imports may be explained in large part by the fact that Venezuelan crude petroleum is more suitable for making heavy petroleum products, such as fuel oil and asphalt, than domestic petroleum which is a better source of gasoline and other light products.<sup>1/</sup> Imports from Venezuela and the Netherlands

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<sup>1/</sup> Markedly increased demand for fuel oil in the United States at certain times has led to an oversupply of gasoline, which is obtained as a joint product in the manufacture of fuel oil and other refined products. This situation would be aggravated if only domestic petroleum were utilized to satisfy domestic requirements for fuel oil.

West Indies are also the result of intercorporate transactions, for the three leading producers in Venezuela, two of which operate refineries in the Netherlands West Indies, are themselves leading refiners and distributors on the Atlantic coast where most of the imports are consumed. Moreover, transportation costs from Venezuela and the Netherlands West Indies to this consuming area are less than from the midcontinent producing fields of the United States.

Since the imposition in June 1932 of the import excise taxes on petroleum and its products, imports of these products have been materially smaller than they were before that time, and the position of the United States as a market for Venezuelan crude and refined petroleum products has declined.

Dutiable status of imports.— At present more than three-fourths of the direct imports from Venezuela are dutiable or subject to import excise taxes. Practically all of the imports, however, entered free of duty before the import excise tax was imposed on petroleum in June 1932. Although refined petroleum products are also subject to excise taxes, a large part of the imports of these products from the Netherlands West Indies has customarily entered free of duty because they were either for the supplies of vessels (fuel oil) or for further manufacture and export (unfinished derivatives of crude).

In the trade agreement with Venezuela, effective December 16, 1939, the import excise tax on crude petroleum, topped crude, fuel oil, and gas oil was reduced 50 percent, from 1/2 cent to 1/4 cent per gallon; imports entered or withdrawn from warehouse at the reduced rate, however, are subject to a quota for all these forms combined, amounting to no more than 5 percent of the total quantity of crude petroleum processed in refineries in continental United States during the preceding calendar year.<sup>1/</sup> Imports in excess of this amount are taxable at the rate in the revenue act; this rate was bound against increase, as were the duty-free status of crude petroleum and fuel oil and the duty- and tax-free status of these products when for ship's supplies.

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<sup>1/</sup> For 1940 the quota and its allocation by countries are as follows:

	<u>Percent</u>	<u>Thousand barrels</u>
Venezuela	71.9	44,500
Netherlands and overseas possessions	20.3	12,564
Colombia	4.0	2,476
All other countries	<u>3.8</u>	<u>2,352</u>
Total	100.0	61,892

Table 13. - United States imports for consumption from Venezuela of principal commodities, in specified years, 1929 to 1939

Commodity	Unit	1929	1932	1936	1937	1938	1939 <sup>1/</sup>
Quantity							
Goat and kid skins, dry and dry salted	1,000 pieces	975	472	1,041	866	529	701
Cocoa or cacao beans	1,000 pounds	21,611	16,442	12,213	14,875	10,067	13,662
Coffee, raw or green	do.	64,981	46,327	60,646	34,974	23,951	20,170
Crude petroleum:							
For consumption	1,000 )	34,431	25,645	26,035	21,272	20,846	25,645
For manufacture and export	barrels:)			2,392	1,915	2,717	2,185
Tariff status							
Value in 1,000 U. S. dollars							
Goat and kid skins, dry and dry salted	Free	454	136	322	352	194	276
Cocoa or cacao beans	Free	2,716	1,088	1,179	1,695	759	1,357
Coffee, raw or green	Free	13,686	4,900	4,909	3,286	1,963	1,781
Crude petroleum:							
For consumption	Taxable:)			17,928	15,761	14,965	17,726
Bonded for manufacture and export	free: )	2/32,609	2/13,657				
				1,486	1,112	1,576	1,376
Imports of commodities shown		49,465	19,781	25,824	22,206	19,457	22,516
Total imports from Venezuela		51,224 <sup>2/</sup>	20,294	26,261	22,751	20,051	23,413
Principal imports as percent of total value		96.6	97.5	98.3	97.6	97.0	96.2

<sup>1/</sup> Preliminary.<sup>2/</sup> Free of duty under the Tariff Acts of 1922 and 1930. Taxable under the Revenue Act, effective June 21, 1932; no free imports for period June 21 to December 31, 1932.<sup>3/</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

### United States exports to Venezuela.

Venezuela is largely a nonindustrial country, and United States sales to Venezuela consist chiefly of manufactures, especially machinery, vehicles, and manufactures of metal (see table 14). Exports of manufactured foodstuffs are also sizable. As a result principally of the development of the Venezuelan petroleum industry, exports of machinery and vehicles increased materially in the last decade, having risen from 16.0 million dollars in 1929 to 25.0 million dollars in 1938, and having increased from about one-third to almost one-half of total exports.

The direct effect of the accelerated exploration and development of Venezuela's petroleum resources in recent years is seen in the marked increase in the exports to Venezuela of oil-well drilling apparatus, the leading export to that country (see table 15). Exports to Venezuela, the largest foreign market of the United States for equipment of this kind, increased from 2.0 million dollars in 1936 to 6.0 million dollars in 1938 (almost four times those in 1929).

Other leading exports to Venezuela in 1939, and their relation to total United States exports to that country, were as follows: Motor trucks, 6 percent; casing and oil-line pipe, 5 percent; passenger cars, 4 percent; and structural steel shapes, 2 percent. As compared with exports in 1929, notable increases in recent years have occurred in the exports of dried whole milk, infants' food, cement, steel sheets, storage tanks, structural shapes, steam generators, electric refrigerators, radio sets, and motor trucks. These products,

combined with the larger exports of oil-well drilling apparatus, have been chiefly responsible for the record volume of total exports to Venezuela in recent years. Marked declines in the exports of particular products have been largely confined to cotton cloth, wood piling, Southern pine lumber, and oil-line pipe (see table 15). Since the outbreak of the European war certain exports have increased considerably, in particular tubular steel products and oil-line pipe, purchases of which have been shifted from European countries to the United States.

Table 14. - United States exports (domestic merchandise) to Venezuela by groups of commodities, in 1938 and 1939

(In thousands of dollars)		
Groups of commodities	1938	1939 <sup>1/</sup>
Animal products and animals, edible	2,441	4,239
Lard, including neutral	331	909
Dairy products	1,151	2,173
Other animal products and animals	959	1,157
Animal products and animals, inedible, total	599	1,202
Leather	368	688
Other animal products and animals, inedible	231	514
Vegetable food products and beverages, total	3,233	3,790
Oatmeal in packages	404	398
Wheat flour	1,635	1,506
Biscuits and crackers	252	252
Other vegetable food products and beverages	942	1,634
Vegetable products, inedible, except fibers and wood, total	981	1,530
Automobile tires	365	575
Other vegetable products, inedible	616	955
Textile fibers and manufactures, total	1,578	2,698
Raw cotton	4	200
Cotton cloth, duck, and tire fabric	537	970
Other textile fibers and manufactures	1,037	1,528
Wood and paper, total	1,851	1,911
Boards, planks, and scantlings, softwoods	642	269
Other wood and wood products	504	461
Paper and manufactures	705	1,181
Nonmetallic minerals, total	1,783	2,613
Lubricating oil	468	607
Cement	377	833
Other nonmetallic minerals	938	1,173
Metals and manufactures, except machinery and vehicles, total	10,145	12,635
Iron and steel bars, rods, plates, sheets, and skelp	954	1,275
Structural shapes	1,391	1,327
Tubular products and fittings	3,133	3,879
Wire and manufactures	401	829
Copper and manufactures	427	417
Other metals and manufactures	3,839	4,908
Machinery and vehicles, total	25,017	25,093
Electrical machinery and apparatus	3,610	3,066
Industrial machinery	11,441	10,946
Agricultural machinery	730	1,203
Automobiles, parts and accessories	6,736	7,027
Aircraft and parts	517	446
Other machinery and vehicles	1,983	2,405
Chemicals and related products, total	2,541	3,266
Medicinals and pharmaceuticals	1,018	1,172
Pigments, paints, and varnishes	468	601
Other chemicals and related products	1,055	1,493
Miscellaneous	1,900	2,611
Total exports	52,069	61,588

<sup>1/</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Table 15. - United States exports (domestic merchandise) to Venezuela of principal commodities, in specified years, 1929 to 1939

Commodity	Unit of quantity	(Value in thousands of dollars)									
		1929		1932		1936		1937		1938	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Lard	1,000 lbs.	9,440	1,307	6,381	425	43	6	878	113	3,470	331
Dried whole milk	do.	447	189	140	49	209	78	362	130	1,663	657
Infants' foods, malted milk, etc.	do.	95	32	148	43	478	140	975	313	1,078	374
Sardines, canned	do.	2,294	173	102	8	2,135	147	2,972	225	3,910	301
Oatsmeal, groats and rolled oats	do.	898	91	543	49	2,626	223	3,769	345	5,057	430
Wheat flour, wholly of United States wheat	1,000 bbls.	278	1,845	208	782	7	34	36	216	110	568
Other wheat flour	do.					204	990	217	1,364	207	1,067
Automobile tires casings (truck bus, other)	1,000 units	28	459	18	177	18	232	24	373	24	365
Cotton duck, unbleached	1,000 sq. yds.	745	217	472	61	1,001	179	1,315	286	932	160
Crescoted piling	1,000 lin. ft.	1,851	751	226	67	310	168	834	413	197	101
Boards, planks, and scantlings, softwood:											
Southern pine, rough	1,000 ft.	7,826	410	646	25	2,995	150	4,961	248	4,930	297
Hydraulic cement (white portland and other)	1,000 bbls.	108	270	66	110	61	141	116	210	217	377
Steel sheets, galvanized	1,000 lbs.	8	8	818	28	3,331	107	6,000	242	6,552	304
Water, oil, gas, and other storage tanks, complete, and knocked-down material	do.	8	8	628	34	1,566	89	8,195	321	9,886	426
Structural shapes:											
Not fabricated	Ton	154	9	51	2	723	39	2,050	122	3,944	273
Fabricated	do.	6,214	419	414	35	4,257	266	10,124	789	13,552	1,119
Casing and oil-line pipe, seamless and welded	1,000 lbs.	90,830	4,045	5,416	212	24,922	1,026	60,189	2,872	49,827	2,363
Kerosene cooking stoves	Number	9	1,047	18	10	204	3	3,138	42	29,476	323
Miscellaneous iron and steel manufactures	11	-	941	-	59	-	169	-	397	-	481

See footnotes at end of table.

Table 15. - United States exports (domestic merchandise) to Venezuela of principal commodities, in specified years, 1929 to 1939 - continued

Commodity	Unit of quantity	(Value in thousands of dollars)									
		1929	1932	1936	1937	1938	1939	1939	1939	1939	1939
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Steam turbine generator sets	Number	27	18	-	4	1	13	10	565	8	165
Household electric refrigerators and parts	do.	8/	8/	285	2,253	186	4,325	3,944	370	4,737	429
Radio receiving sets	do.	24	3	4,074	137	12,385	387	15,593	403	20,068	450
Petroleum and gas well-drilling apparatus	-	-	12,756	-	226	-	1,968	-	5,960	-	4,127
Other petroleum well and refining machinery	-	-	13,250	-	209	-	1,276	-	933	-	1,096
Sewing machines for domestic use	Number	11,210	282	1,964	65	4,921	142	11,889	273	12,034	285
Iron or steel body valves and parts for steam, water, oil, and gas	-	-	928	-	28	-	166	-	296	-	504
Motor trucks, buses, and chassis (new)	Number	11/	1,607	1,308	418	212	3,134	3,912	4,622	3,708	4,565
Passenger cars and chassis (new)	do.	11/	3,449	1,751	1,008	575	2,640	1,647	3,031	3,088	2,267
Automobile parts for replacement	-	-	414	-	157	-	337	-	1,329	-	15,786
Airplanes (powered)	Number	8/	8/	8/	8/	1	13	8	302	9	283
Miscellaneous vehicles and parts	-	-	44	-	4	-	43	-	118	-	278
Ready-mixed paints, stains, and enamels	11,000 gals.	16/	74	16/	42	77	92	169	274	164	295
Exports of commodities shown	-	-	21,133	-	3,886	-	112,428	-	25,312	-	27,363
Total exports to Venezuela	-	-	44,856	-	110,111	-	23,913	-	46,229	-	52,069
Principal exports as percent of total	-	-	47.1	-	38.4	-	52.0	-	54.8	-	51.2

1/ Preliminary.

2/ Includes neutral lard.

3/ Classified as "dried milk." Probably includes some "dried skimmed milk."

4/ Classified as "oatmeal flaked, and rolled oats."

5/ Barrel of 196 pounds.

6/ Classified as "filling." Probably includes some other than creosoted.

7/ Barrel of 376 pounds.

8/ Not separately classified.

9/ Classified as "kerosene cooking stoves and ranges."

10/ Classified as "kerosene cooking stoves and heaters."

11/ Probably not strictly comparable over the period shown.

12/ Classified as "oil-well drilling apparatus."

13/ Classified as "other oil-well and oil refining machinery."

14/ May include some second-hand.

15/ Classified in 1938 and 1939 as "automobile parts for replacement on vehicles with either United States or foreign trade name or assembly on new vehicles with foreign trade name."

16/ Classified as "other ready-mixed paints."

Source: Compiled from official statistics of the U. S. Department of Commerce.

Balance of payments between the United States and Venezuela.

As a result of the large volume of indirect trade with Venezuela in petroleum products, the balance of trade indicated by the statistics of the direct trade between the United States and Venezuela (see table 16) is rather misleading. Before 1937 the United States had an import trade balance with Venezuela, but owing to the great increase in exports in the period 1937-39 a very large export balance developed. If the indirect trade is taken into account the earlier import trade balance is greatly increased, whereas the recent export trade balance is materially decreased. That a large export trade balance has obtained in the last few years, however, is clear, for the total value of petroleum products imported from the Netherlands West Indies has been materially smaller than the export balance with Venezuela.<sup>1/</sup>

Interest is an important element in the balance of payments for most Latin American countries, but for Venezuela it is conspicuous by its absence. Few, if any, Venezuelan bonds are held abroad, and the Venezuelan Government in fact has no foreign debt whatever. Thus, unlike the situation in most other Latin American countries, the service on foreign-held Venezuelan bonds is a matter of small importance in the Venezuelan balance of payments. United States direct

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<sup>1/</sup> If indirect imports from Venezuela through the Netherlands West Indies are considered a part of the merchandise account, it may be appropriate for balance of payments purposes also to include certain exports to the Netherlands West Indies, inasmuch as some such exports are for the purpose of operating the plants refining Venezuelan petroleum. In 1939 United States imports from Venezuela and United States imports of petroleum products from the Netherlands West Indies totaled 42 million dollars, while United States exports to these regions totaled 100 million dollars; thus there was an export trade balance for the area as a whole of 58 million dollars.

investments in Venezuela, however, are large and on these, remittances of income are substantial. At the end of 1936 such investments were estimated at about 186 million dollars, all but a small part of which were represented by petroleum properties.<sup>1/</sup> Statistics showing the income from these holdings are not available, but unquestionably the amounts involved have often been large compared with other items in the balance of payments between the two countries.

A substantial part of the merchandise exported to Venezuela consists of supplies and equipment purchased by petroleum enterprises in Venezuela owned by United States nationals; some of these purchases represents the reinvestment of income obtained from the operation of petroleum properties.

Probably no real significance should be attached to the "net balance" shown in the last item of table 16, because of the substantial indirect trade with Venezuela, shown separately at the end of the table, and because of the lack of statistics on certain items, such as the return on direct investments, movement of banking funds, movement of capital through security transactions, and new capital investments, all of which may be large. The available statistics indicate that in the last few years, Venezuela has had a large net debit balance in its financial transactions with the United States, primarily as a result of the debit merchandise balance. However, this does not represent the actual debit balance for Venezuela, because a part of the indicated

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<sup>1/</sup> U. S. Department of Commerce, American Direct Investments in Foreign Countries - 1936, table 4, p. 12, 1938.

balance merely reflects the large purchases in the United States of equipment and supplies by the foreign petroleum companies operating in Venezuela. Such purchases do not involve a foreign exchange problem for Venezuela, because they are paid for out of the funds received by the companies from the sale of their products in world markets.

Table 16. - Partial balance of payments between the United States and Venezuela, 1929-38

Note: Net credit balances for the United States are indicated by +; net debit balances by -.

(In millions of dollars)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Venezuela 1/	45.3	33.0	15.6	10.2	13.1	19.3	18.6	24.1	46.4	52.3
Merchandise imports from Venezuela 1/	51.2	36.9	26.8	20.3	13.5	22.1	21.4	26.3	22.8	20.0
Excess of merchandise exports to (+) or imports from (-) Venezuela	-5.9	-3.9	-11.2	-10.1	-.4	-2.8	-2.8	-2.2	+23.6	+32.3
Receipts from Venezuela for shipping services 2/	1.3	1.0	.8	.5	.3	.3	.3	.5	.9	.9
Expenditures of Venezuelan travelers in U. S. 2/	1.1	1.0	.7	.6	.4	.5	.7	1.0	1.1	1.3
Expenditures of U. S. travelers in Venezuela 2/	.7	.7	.6	.5	.5	.6	.4	.5	.7	1.2
Net receipts from Venezuela for services	+1.7	+1.3	+.9	+.6	+.2	+.2	+.6	+1.0	+1.3	+1.0
Net receipts from (+) or payments to (-) Venezuela on trade and service account 3/	-4.2	-2.6	-10.3	-9.5	-.2	-2.6	-2.2	-1.2	+24.9	+33.3
<b>Gold and silver:</b>										
Net gold imports from (-) or exports to (+) Venezuela 1/	+1.2	-3.8	-1.0	-1.8	-.4	-.8	-.6	-.5	-.5	-1.5
Net silver imports from (-) or exports to (+) Venezuela 1/	+.4	-	-	-	-	-.1	+1.5	+.2	+1.0	-
Net gold and silver imports from (-) or exports to (+) Venezuela	+1.6	-3.8	-1.0	-1.8	-.4	-.9	+.9	-.3	+.5	-2.5
Net balance on items shown 4/	-2.6	-6.4	-11.3	-11.3	-.6	-3.5	-1.3	-1.5	+25.4	+31.8
<b>Merchandise exports to the Netherlands West Indies 1/</b>	24.1	24.0	9.6	6.5	10.3	13.4	14.3	14.2	34.2	42.8
Imports of petroleum and its products from the Netherlands West Indies 1/	63.9	77.6	50.3	23.4	6.0	8.2	12.6	14.2	19.7	19.1

1/ United States statistics, unadjusted.

2/ Rough estimates.

3/ Excluding return on U. S. direct investments in Venezuela.

4/ Exclusive of return on direct investments (receipts) and new investments (payments) in Venezuela.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.







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